

February 27, 2007

H 388. TAX CREDITS FOR CHILDREN WITH SPECIAL NEEDS. Filed 2/27/07. *TO ALLOW AN INDIVIDUAL INCOME TAX CREDIT FOR PART OF THE EXPENSE OF AVOIDED PUBLIC EDUCATION FOR CHILDREN WITH SPECIAL NEEDS WHO REQUIRE SPECIAL EDUCATION AND RELATED SERVICES OUTSIDE THE REGULAR CLASSROOM AND TO AUTHORIZE COUNTIES TO APPROPRIATE FUNDS FOR THESE CHILDREN EDUCATED OTHER THAN IN PUBLIC SCHOOLS.*

Enacts GS 105-151.31 to grant a refundable individual income tax credit of up to \$3,000 per semester for education expenses outside of regular public school for a child in grades K through 12 with special needs. Does not apply if the child spent any time enrolled as a full-time student in a postsecondary educational institution or if the child was 21 years or older during the entire semester. Amends GS 115C-429(b) (county commissioners approve school budget) and GS 153A-149(b)(7) (authorize uses of property tax revenue) to authorize a county to appropriate up to \$500 per child per year to persons who would be eligible for the education expenses tax credit. Provides that if the credit allowed exceeds the amount of tax due, the Secretary of Revenue must refund the excess to the taxpayer.

Requires the Department of Revenue to report to the Revenue Laws Study Committee on the administration of the section by January 1, 2008. Tax credit effective for taxable years beginning on or after January 1, 2007, and applies to semesters beginning on or after July 1, 2007. County appropriation authorization effective July 1, 2007.

Intro. by Glazier, Lucas, Stam, Wiley.

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