

March 24, 2009

**S 818. NEW OR EXISTING HOME PURCHASE TAX CREDIT.** Filed 03/24/09. *TO PROVIDE AN INCOME TAX CREDIT FOR CERTAIN HOME PURCHASES.*

Creates GS 105-151.33 to offer a \$15,000 credit toward an individual's state income taxes for the purchase of a permanent residence. The credit must be taken in five equal installments beginning in the year of purchase and any one installment may not exceed the tax owed by the individual in that tax year, as reduced by the sum of all credits allowed. Unused portions of the credit may be carried forward for up to five years. An individual is permitted only one credit under this section each year, and joint purchasers may not receive the credit if one or more of the joint purchasers has previously been allowed a credit in the same taxable year. Spouses who are both required to file tax returns must file a joint return to receive the credit. Non-spouse joint purchasers receive a share of the credit proportional to each individual's ownership interest. Credits are forfeited and added back to the individual's tax obligation if within 24 months of purchase the individual (i) disposes of the residence for any reason other than death, divorce, or condemnation or (ii) fails to occupy the residence as a permanent residence. Individuals seeking the credit have the burden of proving eligibility and must make available upon request related records required by the Secretary of Revenue. Makes corresponding change to GS 105-134.6(c) to provide for the forfeiture of the credit as described above. Effective for tax years beginning on or after January 1, 2009, and expires for tax years beginning on or after January 1, 2010.

**Intro. by Rouzer.**

GS 105