Amends Title [NO] Date ______________________, 2019
Third Edition

Representative Harris

moves to amend the bill on page 322, line 13, by adding a new section to read:

"REINSTATE EARNED INCOME TAX CREDIT
SECTION 41.11.(a) G.S. 105-151.31 is reenacted as it existed immediately before its expiration, is recodified as G.S. 105-153.11, and reads as rewritten:
'S 105-151.31. Earned income tax credit.
(a) Credit. – An individual who claims for the taxable year an earned income tax credit under section 32 of the Code is allowed a credit against the tax imposed by this Part equal to a percentage four and thirty-five hundredths percent (4.35%) of the amount of credit the individual qualified for under section 32 of the Code. A nonresident or part-year resident who claims the credit allowed by this section must reduce the amount of the credit by multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), G.S. 105-153.4(b) or (c), as appropriate. The percentage is as follows:
(1) For taxable year 2013, four and one-half percent (4.5%).
(2) For all other taxable years, five percent (5%).

(b) Credit Refundable. – If the credit allowed by this section exceeds the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary must refund the excess to the taxpayer. The refundable excess is governed by the provisions governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. Section 3507 of the Code, Advance Payment of Earned Income Credit, does not apply to the credit allowed by this section. In computing the amount of tax against which multiple credits are allowed, nonrefundable credits are subtracted before refundable credits.

(c) Sunset. – This section is repealed effective for taxable years beginning on or after January 1, 2014-2023."

SECTION 41.11.(b) This section is effective for taxable years beginning on or after January 1, 2019.;

And on page 296, line 45, through page 297, line 48, by rewriting the lines to read:

"SECTION 41.3.(c) G.S. 105-122(d2) reads as rewritten:
'(d2) Tax Rate. – For a C Corporation, as defined in G.S. 105-130.2, the Corporation whose tax base is less than two hundred fifty thousand dollars ($250,000), the tax rate is one dollar and thirty cents ($1.30) per one thousand dollars ($1,000) of the corporation's tax base. For all other C Corporations, the tax rate is one dollar and fifty cents ($1.50) per one thousand
dollars ($1,000) of the corporation's tax base as determined under subsection (d) of this section. For an S Corporation, as defined in G.S. 105-130.2, the tax rate is two hundred dollars ($200.00) for the first one million dollars ($1,000,000) of the corporation's tax base as determined under subsection (d) of this section and one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of its tax base that exceeds one million dollars ($1,000,000).

In no event may the tax imposed by this section be less than two hundred dollars ($200.00).

A corporation's tax base is determined under subsection (d) of this section. For purposes of this section, the terms "C Corporation" and "S Corporation" have the same meanings as defined in G.S. 105-130.2:"

SECTION 41.3.(d) This section is effective for taxable years beginning on or after January 1, 2020, and applicable to the calculation of franchise tax reported on the 2019 and later corporate income tax returns."

And by adjusting the appropriate totals accordingly.

SIGNED ________________________________

Amendment Sponsor

SIGNED ________________________________

Committee Chair if Senate Committee Amendment

ADOPTED _______________  FAILED _______________  TABLED _____________

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