

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 74
Committee Substitute Favorable 5/2/19
PROPOSED SENATE COMMITTEE SUBSTITUTE H74-PCS30512-RBfa-20

Short Title: Taxpayer Refund Act.

(Public)

Sponsors:

Referred to:

February 14, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO SEND A TAX REFUND TO TAXPAYERS WITH A NET NORTH CAROLINA
3 TAX LIABILITY FOR 2018 AND MAKE OTHER CONFORMING CHANGES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** Tax Refund. – The Department of Revenue is directed to issue, by
6 check mailed as provided in this subsection, a refund of an overpayment that results from a tax
7 credit allowed to a qualifying North Carolina taxpayer. The qualifying taxpayer shall not claim
8 the tax credit allowed under this section on the 2018 individual income tax return. Instead, the
9 Department is directed to automatically apply the tax credit to a qualifying taxpayer's tax return.
10 The Department shall include with the check mailed pursuant to this subsection an explanatory
11 insert provided by the State Treasurer.

12 The date by which the Department is directed to mail the checks is as follows, or as
13 soon as practicable thereafter:

14 (1) December 15, 2019, for taxpayers who filed an individual income tax return
15 for the 2018 taxable year on or before August 1, 2019.

16 (2) February 1, 2020, for taxpayers who filed an individual income tax return for
17 the 2018 taxable year after August 1, 2019, and on or before October 15, 2019.

18 **SECTION 1.(b)** Tax Refund Amount. – The tax credit is equal to the lesser of the
19 amount of tax due on line 17 of the 2018 D-400 Individual Income Tax Return or the following
20 amount based upon the taxpayer's filing status:

21 (1) For married filing jointly, two hundred fifty dollars (\$250.00).

22 (2) For all other taxpayers, one hundred twenty-five dollars (\$125.00).

23 **SECTION 1.(c)** Qualifying Taxpayer. – To qualify for a tax refund under this
24 section, a taxpayer must file an individual income tax return for the 2018 taxable year on or
25 before October 15, 2019.

26 **SECTION 1.(d)** Setoff Debt Collection. – A tax refund issued under this section is
27 subject to overpayment setoff under Chapter 105A of the General Statutes, the Setoff Debt
28 Collection Act, or under another setoff debt collection program authorized by law.

29 **SECTION 1.(e)** Refund Appropriation. – The State Controller shall reserve funds
30 necessary to issue the refunds authorized by this section from the General Fund, and to the extent
31 the funds described in this subsection are required to be appropriated, the funds are hereby
32 appropriated to be used for the purpose set forth in this section.

33 **SECTION 1.(f)** Departmental Appropriations. – There is appropriated from the
34 General Fund to the Department of Revenue the sum of five million five hundred sixty thousand
35 dollars (\$5,560,000) in nonrecurring funds for the 2019-2020 fiscal year to be used to cover costs



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1 incurred from implementing this section. Additionally, there is appropriated from the Collections
2 Assistance Fee Special Fund to the Department of Revenue the sum of twelve million five
3 hundred thousand dollars (\$12,500,000) in nonrecurring funds for the 2019-2020 fiscal year to
4 be used for costs associated with tax systems operations and maintenance upgrades.

5 **SECTION 2.** Except as otherwise provided, this act is effective when it becomes
6 law.