

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL DRS45335-MCf-140B

Short Title: Individuals and Families Recovery Act. (Public)

Sponsors: Senators Crawford, Garrett, and Batch (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROMOTE ECONOMIC RECOVERY FOR INDIVIDUALS AND FAMILIES
3 IN NORTH CAROLINA.

4 Whereas, approximately 1,473,397 North Carolinians have filed for unemployment
5 benefits between March 15, 2020, when coronavirus-related closures started going into place,
6 and March 29, 2021; and

7 Whereas, there were 1.4 million North Carolinians living at or below the poverty line
8 prior to the COVID-19 pandemic making less than \$25,750 for a family of four; Now, therefore,
9 The General Assembly of North Carolina enacts:

10 **SECTION 1.(a)** Intent; Use. – It is the intent of the General Assembly to use
11 American Rescue Plan Act of 2021 funds for the Department of Revenue to provide economic
12 support, consistent with this section, to low-income families and families with employment
13 interruptions resulting from the COVID-19 pandemic.

14 **SECTION 1.(b)** Individual and Family Relief Grant Program. – There is created the
15 Individual and Family Relief Grant Program to be administered by the Department of Revenue.
16 The Department must provide a one-time grant to an eligible individual under this section.

17 **SECTION 1.(c)** Grant Award. – The grant amount is (i) one thousand dollars
18 (\$1,000) for an eligible individual who received benefits from the Division of Employment
19 Security for unemployment for at least three months during the 2020 taxable year and (ii) two
20 hundred fifty dollars (\$250.00) for any other eligible individual. The Department of Revenue
21 must award the grants as soon as practicable, but no later than October 1, 2021. The Department
22 cannot disclose information regarding individual grants awarded under this program except as
23 allowed for tax information in G.S. 105-259(b)(1)–(55). The Department may report on the
24 aggregate grant awards provided under this program.

25 A grant may be issued by direct deposit if the individual received a 2019 State tax
26 refund by direct deposit. In such circumstances, the direct deposit should be issued to the account
27 to which the individual's 2019 State tax refund was deposited. If the Department becomes aware
28 that such account is no longer associated with the individual or that the owner of the account has
29 not remitted the grant to the individual entitled to the grant, then the Department may demand
30 that the recipient of the deposit return the grant. In such circumstances, the Department may also
31 reissue the grant to the individual by virtue of a check mailed to the address on the individual's
32 2019 State income tax return. Grants issued by checks will be mailed to the address on the
33 individual's 2019 State income tax return, unless an updated address is available, or the address
34 on the individual's application. Checks issued by the Department under this subsection are valid
35 for 90 days.



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1 **SECTION 1.(d)** Eligibility. – An eligible individual is an individual who applies for
2 a grant under this program on a form prescribed by the Secretary of Revenue postmarked on or
3 before July 1, 2021, and meets all of the following conditions:

4 (1) The applicant has either (i) a filing status of single and an adjusted gross
5 income of less than thirty-five thousand dollars (\$35,000) or (ii) any other
6 filing status and an adjusted gross income of fifty-three thousand dollars
7 (\$53,000).

8 (2) The applicant provides a name, mailing address, and any other information
9 required by the Secretary.

10 **SECTION 2.(a)** Part 2 of Article 4 of Subchapter I of Chapter 105 of the General
11 Statutes is amended by adding a new section to read:

12 **"§ 105-153.11. Credit for qualifying relative.**

13 (a) Credit. – A taxpayer who has one or more qualifying relatives, as determined pursuant
14 to Table 5 of Publication 501 of the Internal Revenue Service, is allowed a credit against the tax
15 imposed by this Part equal to two hundred fifty dollars (\$250.00). The credit allowed under this
16 section may not exceed the amount of tax imposed by this Part for the taxable year reduced by
17 the sum of all credits allowed, except payments of tax made by or on behalf of the taxpayer.

18 (b) Limitations. – A nonresident or part-year resident who claims the credit allowed by
19 this section shall reduce the amount of the credit by multiplying it by the fraction calculated under
20 G.S. 105-153.4(b) or (c), as appropriate. The credit allowed under this section may not exceed
21 the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits
22 allowed, except payments of tax made by or on behalf of the taxpayer."

23 **SECTION 2.(b)** Effective for taxable years beginning on or after January 1, 2022,
24 G.S. 105-153.11, as enacted by subsection (a) of this section, is repealed.

25 **SECTION 3.(a)** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

26 "(15) The amount paid during the taxable year by the Department of Revenue as a
27 one-time grant to a taxpayer who is an eligible individual for the purpose of
28 providing economic support pursuant to the Individual and Family Relief
29 Grant Program."

30 **SECTION 3.(b)** Effective for taxable years beginning on or after January 1, 2022,
31 G.S. 105-153.5(b)(15), as enacted by subsection (a) of this section, is repealed.

32 **SECTION 4.** Sections 1 and 3(a) of this act become effective when an act of the
33 General Assembly appropriating funds for the implementation of Section 1 becomes effective.
34 Section 2(a) of this act is effective for taxable years beginning on or after January 1, 2021. Except
35 as otherwise provided, the remainder of this act is effective when it becomes law.