

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

FILED SENATE  
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S.B. 304  
PRINCIPAL CLERK

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SENATE BILL DRS45147-MCf-115

Short Title: Reenact EITC.

(Public)

Sponsors: Senators Smith, Grafstein, and Bradley (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO REENACT THE EARNED INCOME TAX CREDIT.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-151.31 is reenacted as it existed immediately before its  
5 expiration, is recodified as G.S. 105-153.12, and reads as rewritten:

6 "**§ 105-153.12. Earned income tax credit.**

7 (a) Credit. – An individual who claims for the taxable year an earned income tax credit  
8 under section 32 of the Code is allowed a credit against the tax imposed by this Part equal to a  
9 ~~percentage~~ ten percent (10%) of the amount of credit the individual qualified for under section  
10 32 of the Code. A nonresident or part-year resident who claims the credit allowed by this section  
11 must reduce the amount of the credit by multiplying it by the fraction calculated under  
12 G.S. 105-153.4(b) or (c), as appropriate. ~~The percentage is as follows:~~

13 (1) ~~For taxable year 2013, four and one-half percent (4.5%).~~

14 (2) ~~For all other taxable years, five percent (5%).~~

15 (b) Credit Refundable. – If the credit allowed by this section exceeds the amount of tax  
16 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary  
17 must refund the excess to the taxpayer. The refundable excess is governed by the provisions  
18 governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. Section  
19 3507 of the Code, Advance Payment of Earned Income Credit, does not apply to the credit  
20 allowed by this section. In computing the amount of tax against which multiple credits are  
21 allowed, nonrefundable credits are subtracted before refundable credits.

22 (c) ~~Sunset. – This section is repealed effective for taxable years beginning on or after~~  
23 ~~January 1, 2014.~~

24 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,  
25 2025.



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