

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 599

Short Title: Home School Education Tax Credit. (Public)

Sponsors: Representative Pittman.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Finance, if favorable, Rules, Calendar, and Operations of the House

April 8, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE AN INCOME TAX CREDIT FOR CHILDREN WHO ARE HOME  
3 SCHOOLED.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Part 2 of Article 4 of Chapter 105 of the General Statutes is amended  
6 by adding a new section to read:

7 "**§ 105-153.11. Home school education credit.**

8 (a) Credit. – A taxpayer is allowed a credit against the tax imposed by this Part for each  
9 of the taxpayer's eligible dependent children who is a resident of this State and who, for one or  
10 two semesters during the taxable year, is enrolled in a home school that meets the requirements  
11 of G.S. 115C-564. As used in this section, the term "eligible dependent child" means a child for  
12 whom the taxpayer is entitled to deduct a personal exemption under section 151(c) of the Code  
13 for the taxable year.

14 (b) Amount. – The credit is equal to one thousand two hundred fifty dollars (\$1,250) per  
15 semester.

16 (c) Semesters. – For the purposes of this section, there are two semesters during each  
17 taxable year. The spring semester is the first six months of the taxable year, and the fall semester  
18 is the second six months of the taxable year. An eligible dependent child is enrolled in a home  
19 school for a semester if the eligible dependent child is enrolled in that home school for more than  
20 70 days during that semester.

21 (d) Disqualification. – A taxpayer may not qualify for a credit for any semester during  
22 which the taxpayer's eligible dependent child for whom the credit would otherwise be claimed  
23 met any of the following conditions:

24 (1) Spent any time enrolled in a public school.

25 (2) Spent any time enrolled as a full-time student taking at least 12 hours of  
26 academic credit in a postsecondary educational institution.

27 (3) Was 22 years of age or older during the entire semester.

28 (4) Graduated from high school prior to the end of the semester.

29 (e) Information. – In order to claim the credit allowed by this section, the taxpayer shall  
30 provide, when requested, the following to the Secretary:

31 (1) The name, address, Social Security number, and attendance record, as  
32 required by G.S. 115C-564, of each eligible dependent child for whom the  
33 credit is claimed.

34 (2) The taxpayer's certification that the eligible dependent child did not meet any  
35 of the disqualifying conditions set out in this section.



1           (3)    The name of the local school administrative unit in which the eligible  
2                    dependent child resides.

3           (4)    A copy of the Notice of Intent to Operate a Home School filed with the  
4                    Division of Nonpublic Education, Department of Administration.

5       (f)    Carryforward. – The credit allowed under this section may not exceed the amount of  
6       tax imposed by this Part reduced by the sum of all credits allowed against the tax, except  
7       payments of tax made by or on behalf of the taxpayer. Any unused portion of the credit may be  
8       carried forward for the succeeding three years.

9       (g)    No Other Requirements. – A home school attended by an eligible dependent child of  
10       the taxpayer who claims a credit under this section shall not be subject to any requirements other  
11       than those required by Part 3 of Article 39 of Chapter 115C of the General Statutes."

12       **SECTION 2.** The Department of Revenue shall report to the Revenue Laws Study  
13       Committee and the Joint Legislative Education Oversight Committee on the administration of  
14       G.S. 105-153.11, as enacted by Section 1 of this act. The report is due by October 1, 2021, and  
15       shall include the following:

16           (1)    The number and amount of credits taken under G.S. 105-153.11, itemized by  
17                    the local school administrative unit in which the eligible dependent children  
18                    reside.

19           (2)    Any concerns relating to the administration of G.S. 105-153.11 or taxpayer  
20                    compliance with the requirements of that section.

21           (3)    Any other matter with respect to G.S. 105-153.11 the Department wishes to  
22                    address.

23       **SECTION 3.** Sections 1 and 2 of this act are effective for taxable years beginning  
24       on or after January 1, 2019, and apply to semesters for which the credit is claimed beginning on  
25       or after July 1, 2019. The remainder of this act is effective when it becomes law.