

# NORTH CAROLINA UNIVERSAL CHARITABLE CREDIT

## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2019

### HOUSE BILL \_\_\_\_\_

Short Title: Universal Charitable Credit

(Public)

Sponsors: Representative

Referred to:

1 A BILL TO BE ENTITLED

2 AN ACT TO ENACT THE UNIVERSAL CHARITABLE CREDIT.

3 The General Assembly of North Carolina enacts:

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

6 "**§ 105-153.11. Universal charitable credit.**

7 (a) Definitions. – The following definitions apply in this section:

8 (1) Qualified charitable organization. –A charitable organization which is exempt  
9 from federal income taxation under [section 501\(c\)\(3\) of the Internal Revenue](#)  
10 [Code](#), incorporated in the state of North Carolina, in good standing with the North  
11 Carolina Department of Revenue, and not under suspension per [section 501\(p\) of](#)  
12 [the Internal Revenue Code](#) or revocation per the [Internal Revenue Bulletin](#), at the  
13 time of the contribution.

14 (2) Department. –The North Carolina Department of Revenue, or its designee.

15 (3) Deduction. –A reduction in taxable income pursuant to [section 170 of the](#)  
16 [Internal Revenue Code](#) and taken for state purposes.

17 (b) An individual is entitled to a tax credit against the taxes levied in this section  
18 for an amount which shall be the lesser of five hundred dollars (\$500.00) for a taxpayer filing  
19 single or married filing separately, or one thousand dollars (\$1,000.00) for taxpayers filing

1 jointly, or the actual tax due, for cash contributions to qualified charitable organizations, during  
2 the same taxable year for which the credit is claimed, and may not be carried forward.

3 (c) Taxpayers taking this credit shall provide the names of the qualified charitable  
4 organizations, the dates and amounts of the contributions, to the Department on forms  
5 provided by the Department.

6 (d) Taxpayers choosing to make voluntary cash contributions through umbrella  
7 charitable organizations that collect donations on behalf of member charities shall designate  
8 that the donations be directed only to member charitable organizations that would qualify for  
9 this credit on a stand-alone basis.

10 (e) A deduction shall not be allowed for amounts taken under this credit.

11 (f) The Department shall compile and make available to the public an online list of  
12 qualified charitable organizations.

13 (g) The Department shall develop forms necessary to apply for this credit to  
14 include:

- 15 (1) The name and taxpayer identification number of the taxpayer.
- 16 (2) The names of the qualified charitable organizations.
- 17 (3) The dates and amounts of the cash contributions claimed as a credit.
- 18 (4) A section where the taxpayer may cite the reason for taking the credit.
- 19 (5) Any other information that the Department requires.

20 (h) Report. - The Department must include in the economic incentives report  
21 required by [G.S. 105-256](#) the following information:

- 22 (1) The number of taxpayers that took the credit allowed in this section.
- 23 (2) The total amount of funds contributed to North Carolina qualified charitable  
24 organizations.
- 25 (3) The total cost to the General Fund of the credits taken.”

26 **SECTION 2.** This act is effective for taxable years beginning on or after  
27 January 1, 2019.