GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

S **1**

SENATE BILL 942

Short Title:	Reenact EITC.	(Public)
Sponsors:	Senators Chitlik, Bradley, and Smith (Primary Sponsors).	
Referred to:	Rules and Operations of the Senate	

April 30, 2026

A BILL TO BE ENTITLED

AN ACT TO REENACT THE EARNED INCOME TAX CREDIT.

The General Assembly of North Carolina enacts:

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

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

(a) Credit. – An individual who claims for the taxable year an earned income tax credit under section 32 of the Code is allowed a credit against the tax imposed by this Part equal to ~~a percentage~~ twenty percent (20%) of the amount of credit the individual qualified for under section 32 of the Code. A nonresident or part-year resident who claims the credit allowed by this section must reduce the amount of the credit by multiplying it by the fraction calculated under G.S. 105-153.4(b) or (c), as appropriate. ~~The percentage is as follows:~~

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

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

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

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 – This section is repealed effective for taxable years beginning on or after January 1, 2014.~~"

SECTION 2. This act is effective for taxable years beginning on or after January 1, 2026.