

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 212*
Second Edition Engrossed 3/27/89

Short Title: Scholarships Tax Exempt.

(Public)

Sponsors: Senators Rauch; Cochrane and Raynor.

Referred to: Finance.

February 20, 1989

A BILL TO BE ENTITLED

1 AN ACT TO EXEMPT FROM INCOME TAX SCHOLARSHIP FUNDS FOR
2 TRAVEL AND RELATED EXPENSES FOR INTERNSHIPS THAT ARE PART
3 OF THE SCHOLARSHIP PROGRAM OF THE EDUCATIONAL INSTITUTION
4 AND THAT REQUIRE THE RECIPIENT TO LIVE AWAY FROM THE
5 EDUCATIONAL INSTITUTION.
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7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 105-141(b)(10) reads as rewritten:

9 "(10) The amounts received as a scholarship at an educational institution (as
10 defined in G.S. 105-135) or as a fellowship grant, including the value
11 of contributed services and accommodations; and the amounts
12 received to cover expenses for travel, research, clerical help, or
13 equipment which are incident to such scholarship or fellowship grant
14 to the extent that such amounts are exempt for federal income tax
15 purposes under the provisions of section 117 of the ~~Code~~ Code or to
16 the extent that such expenses are incurred at a location away from the
17 educational institution and are incident to an internship or course of
18 practical study that (i) is part of a program of qualified scholarships (as
19 defined in section 117 of the Code) at one or more educational
20 institutions and (ii) requires the recipient to move to and live at a
21 location away from the educational institution."

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

23 1989.