

GENERAL ASSEMBLY OF NORTH CAROLINA  
1985 SESSION

CHAPTER 694  
HOUSE BILL 1010

AN ACT TO CLARIFY THE DEFINITION OF PREFERENCE OR ADVANTAGE IN  
UTILITIES REGULATION AND TO PROVIDE A CORPORATE INCOME TAX  
CREDIT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 62-140(a) is amended to add at the end the following sentence:

"Provided further, that it shall not be considered an unreasonable preference or advantage for the Commission to order, if it finds the public interest so requires, a reduction in local telephone rates for low-income residential consumers meeting a means test established by the Commission in order to match any reduction in the interstate subscriber line charge authorized by the Federal Communications Commission."

Sec. 2. Division I of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-130.38. Credit for certain telephone subscriber line charges. A corporation that provides local telephone service to low-income residential consumers at reduced rates pursuant to an order of the North Carolina Utilities Commission is allowed a credit against the tax imposed by this Division equal to the difference between:**

- (1) The amount of receipts the corporation would have received during the taxable year from those low-income customers had the customers been charged the regular rates for local telephone service and fees; and
- (2) The amount billed those low-income customers for local telephone service during the taxable year.

This credit is allowed only for a reduction in local telephone service rates and fees and is not allowed for any reduction in interstate subscriber line charges. This credit may not exceed the amount of tax imposed by this Division for the taxable year reduced by the sum of all credits allowed under this Division, except tax payments made by or on behalf of the corporation."

Sec. 3. This act is effective on January 1, 1986.

In the General Assembly read three times and ratified, this the 11th day of July, 1985.