

**§ 105-130.4A. (Effective for taxable years beginning on or after January 1, 2020)
Market-based sourcing for wholesale content distributors.**

(a) Definitions. – The definitions in G.S. 105-130.4 and the following definitions apply to this section:

- (1) Customer. – A person who has a direct contractual relationship with a wholesale content distributor from whom the wholesale content distributor derives gross receipts, including a business customer such as an advertiser or licensee and an individual customer that directly subscribes with the wholesale content distributor for access to film programming.
- (2) Gross receipts. – The same meaning as the term "sales" in G.S. 105-130.4.
- (3) Wholesale content distributor. – A broadcast television network, a cable program network, or any television distribution company owned by, affiliated with, or under common ownership with any such network. The term does not mean or include a multichannel video programming distributor or a distributor of subscription-based Internet programming services.

(b) Market for Receipts. – The receipts factor of a wholesale content distributor is a fraction, the numerator of which is the sum of the wholesale content distributor's gross receipts from transactions and activity in the regular course of its trade or business from sources within the State and the denominator of which is the sum of the wholesale content distributor's gross receipts from transactions and activity in the regular course of its trade or business everywhere. A wholesale content distributor's receipts from transactions and activities in the regular course of its business, including advertising, licensing, and distribution activities, but excluding receipts from the sale of real property or tangible personal property, are in this State if derived from a business customer whose commercial domicile is in this State. Receipts derived from an individual customer are in this State if the billing address of the individual customer as listed in the broadcaster's books and records is in this State. (2019-246, s. 3(b).)