

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE JOINT RESOLUTION 696

Sponsors: Representative Gamble.

Referred to: Rules, Appointments and Calendar.

April 11, 1991

A JOINT RESOLUTION AUTHORIZING THE LEGISLATIVE RESEARCH COMMISSION TO STUDY THE PRESENT SYSTEM OF REGULATING AND TAXING BANKS, SAVINGS INSTITUTIONS, AND CREDIT UNIONS.

Whereas, the members of the North Carolina General Assembly are keenly aware of changes currently taking place with regard to the operational and organizational strategies of financial institutions in North Carolina; and

Whereas, the laws that deal with regulation and taxation are not uniformly applicable to commercial banks, savings institutions, and credit unions, as dramatically illustrated in the following table:

STATE AND LOCAL TAXES LEVIED ON BANKS, SAVINGS INSTITUTIONS, AND CREDIT UNIONS

	<u>Banks</u>	<u>Savings Institutions</u>	<u>Credit Unions</u>
I. <u>Franchise Tax</u>			
General business franchise			
G.S. 105-122 (\$1.50 per \$1,000 tax base)	Taxable	Taxable	Exempt
II. <u>Corporate Income Tax</u>			

1				
2	G.S. 105-130	Taxable	Taxable	Exempt
3	7% of State taxable			
4	income			
5				
6	III. <u>Intangibles Tax</u> (Paid			
7	by the institutions)			
8				
9	Accounts Receivable			
10	G.S. 105-201	Taxable	Exempt	Exempt
11	(25¢ per \$100.00)			
12				
13	Notes Receivable, etc.			
14	G.S. 105-202	Taxable	Exempt	Exempt
15	(25¢ per \$100.00)			
16				
17	Shares of Stock			
18	G.S. 105-203	Taxable	Exempt	Exempt
19				
20	IV. <u>License Tax</u>			
21				
22	Annual privilege tax			
23	G.S. 105-102.3	Taxable	Exempt	Exempt
24	(\$30.00 per \$1,000,000			
25	of average total			
26	assets)			
27				
28	V. <u>Sales and Use Tax</u>	Taxable	Taxable	Taxable
29				
30	VI. <u>Ad Valorem Tax</u>	Taxable	Taxable	Taxable; and
31				

32 Whereas, the General Assembly has created and provided for separate and
 33 autonomous regulatory bodies in the Banking Commission, the Savings Institutions
 34 Commission, and the Credit Union Commission, all with separate and express
 35 jurisdictional responsibilities none of which have an overall authority to develop a State
 36 policy for regulation and taxation; and

37 Whereas, the public interest dictates the need for a legislative review of the
 38 entire industry, with emphasis upon regulation and taxation;

39 Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

40 Section 1. The Legislative Research Commission may study the present
 41 regulations and taxes applicable to commercial banks, savings institutions, and credit
 42 unions.

43 Sec. 2. The Legislative Research Commission shall report its findings,
 44 together with any recommended legislation, to the 1993 General Assembly.

1 Sec. 3. This resolution is effective upon ratification.