

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1234

Short Title: Competitive Corp. Income Tax Rate.

(Public)

Sponsors: Senators Hoyle; Martin of Pitt, Perdue, Kaplan, Forrester, and Warren.

Referred to: Capital Expenditures and Improvements.

June 14, 1993

A BILL TO BE ENTITLED

AN ACT TO RESTORE NORTH CAROLINA'S COMPETITIVENESS BY
READJUSTING THE CORPORATE INCOME TAX AND SURTAX RATES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-130.3 reads as rewritten:

"§ 105-130.3. Corporations.

A tax is imposed on the State net income of every C Corporation doing business in this State at seven and five-tenths ~~and seventy-five one-hundredths~~ percent ~~(7.75%)~~ ~~(7.5%)~~ of the corporation's State net income. An S Corporation is not subject to the tax levied in this section."

Sec. 2. G.S. 105-130.3A reads as rewritten:

"§ 105-130.3A. (Expires for taxable years beginning on or after January 1, 1995)

Temporary surtax.

(a) Surtax. – In addition to the income tax imposed by G.S. 105-130.3, every taxpayer required to file a return under this Division shall pay an income tax surtax equal to a percentage of the tax payable by the taxpayer under G.S. 105-130.3 for the taxable year. This surtax is due at the time prescribed in G.S. 105-130.17 for filing corporation income tax returns.

(b) Rates. – The percentage rates of the surtax levied in this section are as follows:

- (1) For the taxpayer's taxable year beginning in 1991, four percent (4%).
- (2) For the taxpayer's taxable year beginning in 1992, three percent (3%).
- (3) For the taxpayer's taxable year beginning in 1993, ~~two percent (2%)~~ five and five-tenths percent (5.5%).

1 (4) For the taxpayer's taxable year beginning in 1994, ~~one percent (1%).~~
2 four and four-tenths percent (4.4%)."

3 Sec. 3. G.S. 115C-546.1 reads as rewritten:

4 "**§ 115C-546.1. Creation of Fund; administration.**

5 (a) There is created the Public School Building Capital Fund. The Fund shall be
6 used to assist county governments in meeting their public school building capital needs.

7 (b) Each calendar quarter, the Secretary of Revenue shall remit to the State
8 Treasurer for credit to the Public School Building Capital Fund an amount equal to ~~two~~
9 ~~thirty-firsts (2/31)~~ one-fifteenth (1/15) of the net collections received during the previous
10 quarter by the Department of Revenue under G.S. 105-130.3 minus two million five
11 hundred thousand dollars (\$2,500,000). All funds deposited in the Public School
12 Building Capital Fund shall be invested as provided in G.S. 147-69.2 and G.S. 147-69.3.

13 (c) The Fund shall be administered by the Office of State Budget and
14 Management."

15 Sec. 4. This act is effective for taxable years beginning on or after January 1,
16 1993.