

Continued

Code section 1071, which allowed a taxpayer to treat the sale of a broadcast property as an involuntary conversion if the sale is certified by the FCC as necessary to effectuate an FCC ownership and control policy, was repealed effective for sales or exchanges after January 16, 1995.

Public Law 104-117, gives members of the Armed Forces serving in combat zones the same tax benefits as those serving peace keeping missions in the former Republic of Yugoslavia. The law identifies Bosnia, Herzegovina, Croatia, and Macedonia as qualified hazardous duty areas to be treated as combat zones.

Sections 112 and 3401 of the Code were amended to increase the amount of exempt military pay for certain commissioned officers to an amount equal to the highest rate of basic pay of any enlisted member plus any special pay and by excluding the exempt pay from withholding requirements.

EFFECTIVE DATE: Upon Ratification

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

Department of Revenue, Corporate Income Tax Division
Department of Revenue, Individual Income Tax Division

FISCAL IMPACT

		<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
	96-97	97-98	98-99	99-00	00-01	
REVENUES:						
GENERAL FUND	-NA-	-NA-	-NA-	-NA-	-NA-	

ASSUMPTIONS AND METHODOLOGY:

Unsuccessful attempts have been made to determine the number of service personnel from North Carolina that are serving in combat zones; without knowledge of this number it is impossible to create assumptions.

The loss, due to the deductions for health insurance premiums paid by self-employed individuals, is a continuation of 1994 policy.

SOURCES OF DATA: Department of Revenue

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: H. Warren Plonk

APPROVED BY: Tom L. Covington

DATE: May 22, 1996

[FRD#001]

Official
Fiscal Research Division
Publication



Signed Copy Located in the NCGA Principal Clerk's Offices