

GENERAL ASSEMBLY OF NORTH CAROLINA
SECOND EXTRA SESSION 1996

S

1

SENATE BILL 14

Short Title: Reduce Corporate Income Tax.

(Public)

Sponsors: Senators McDaniel; East, Ballantine, Allran, Foxx, Kincaid, Clark, Davis, Forrester, Ledbetter, Smith, Carpenter, Page, Simpson, Shaw, Blust, Horton, Carrington, Webster, Little, Blackmon, Hartsell, Cochran, and McKoy.

Referred to: Finance.

July 9, 1996

A BILL TO BE ENTITLED

1 AN ACT TO REPEAL THE INCREASE IN THE CORPORATE INCOME TAX
2 ENACTED IN 1991.

3 The General Assembly of North Carolina enacts:

4 Section 1. G.S. 105-139.3 reads as rewritten:

5 **"§ 105-130.3. Corporations.**

6 A tax is imposed on the State net income of every C Corporation doing business in
7 this State at seven ~~and seventy-five one hundredths percent (7.75%)~~ percent (7%) of the
8 corporation's State net income. An S Corporation is not subject to the tax levied in this
9 section."
10

11 Sec. 2. G.S. 115C-546.1 reads as rewritten:

12 **"§ 115C-546.1. Creation of Fund; administration.**

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

15 (b) Each calendar quarter, the Secretary of Revenue shall remit to the State
16 Treasurer for credit to the Public School Building Capital Fund an amount equal to ~~two~~
17 ~~thirty-firsts (2/31)~~ one-seventh (1/7) of the net collections received during the previous
18 quarter by the Department of Revenue under G.S. 105-130.3 minus two million five

1 hundred thousand dollars (\$2,500,000). All funds deposited in the Public School
2 Building Capital Fund shall be invested as provided in G.S. 147-69.2 and G.S. 147-69.3.

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

5 Sec. 3. Section 2 of this act becomes effective October 1, 1997. The
6 remainder of this act is effective for taxable years beginning on or after January 1, 1996.