

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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**HOUSE JOINT RESOLUTION 491**

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Sponsors: Representatives McMahan; Arnold, Baddour, Barbee, Bowie, Bridgeman, Cansler, Culp, Dockham, Edwards, Gillespie, Grady, Gulley, Hiatt, Holmes, Justus, Kiser, McComas, Melton, Miner, Morris, Neely, Owens, Russell, Sherrill, Thompson, Walend, and G. Wilson.

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Referred to: Rules, Calendar and Operations of the House.

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March 18, 1999

1 A JOINT RESOLUTION TO AUTHORIZE THE LEGISLATIVE RESEARCH  
2 COMMISSION TO STUDY CONSOLIDATED CORPORATE INCOME TAX  
3 RETURNS.

4       Whereas, North Carolina's corporate income tax requires each separate  
5 corporation to file a separate return and does not allow affiliated corporate groups to file  
6 consolidated or combined returns; and

7       Whereas, affiliated corporate groups are allowed to file consolidated returns  
8 for federal income tax purposes; and

9       Whereas, allowing or requiring consolidated or combined reporting for North  
10 Carolina income tax purposes could have positive benefits for taxpayers doing business  
11 in this State; and

12       Whereas, although allowing elective consolidated reporting would initially  
13 cause a loss to the General Fund, that loss might later be offset substantially if corporate  
14 groups are required to continue filing on the same basis that they initially elect; Now,  
15 therefore,

16 Be it resolved by the House of Representatives, the Senate concurring:

17       Section 1. The Legislative Research Commission may study the issue of  
18 allowing or requiring consolidated or combined income tax reporting by affiliated  
19 corporations.

1           Section 2. The study shall include a thorough review of the legal and fiscal  
2 effects of combined and consolidated reporting, a survey of the filing methods employed  
3 by other states, and evaluation of the positive and negative consequences of changing  
4 from a separate reporting requirement for corporate income tax purposes.

5           Section 3. The Legislative Research Commission shall make a final report of  
6 its findings and recommendations to the 2000 Regular Session of the 1999 General  
7 Assembly.

8           Section 4. This resolution is effective upon ratification.