

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE BILL 1758

Short Title: Tax Cut Act of 2004.

(Public)

Sponsors: Representative McHenry.

Referred to: Finance.

May 31, 2004

1 A BILL TO BE ENTITLED
2 AN ACT TO REDUCE TAXES AND CUT GOVERNMENT SPENDING.
3 The General Assembly of North Carolina enacts:

4 **REDUCE SALES TAX RATE ONE-HALF CENT FOR 04-05 FISCAL YEAR**

5 **SECTION 1.** Section 34.13(c) of S.L. 2001-424, as amended by Section
6 38.1 of S.L. 2003-284, reads as rewritten:

7 "SECTION 34.13.(c) This section becomes effective October 16, 2001, and applies
8 to sales made on or after that date. This section is repealed effective for sales made on
9 or after July 1, ~~2005-2004~~. This section does not affect the rights or liabilities of the
10 State, a taxpayer, or another person arising under a statute amended or repealed by this
11 section before the effective date of its amendment or repeal; nor does it affect the right
12 to any refund or credit of a tax that accrued under the amended or repealed statute
13 before the effective date of its amendment or repeal."

14 **INDIVIDUAL INCOME TAX REBATE FOR 2004**

15 **SECTION 2.** G.S. 105-134.2 is amended by adding a new subsection to
16 read:

17 "(c) Rebate. – After computing the tax under subsection (a) or (b) of this section
18 for the 2004 taxable year, the taxpayer shall reduce the amount of tax due by eight
19 percent (8%)."

20 **CORPORATE TAX REDUCTION FOR 2004**

21 **SECTION 3.** G.S. 105-130.3 reads as rewritten:

22 **"§ 105-130.3. Corporations.**

23 A tax is imposed on the State net income of every C Corporation doing business in
24 this State. An S Corporation is not subject to the tax levied in this section. The tax is a
25 percentage of the taxpayer's State net income computed as follows:

Income Years Beginning	Tax
26 In 1997	7.5%
27 In 1998	7.25%
28 In 1999	7%

