

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 1771

Short Title: Raise Minimum Wage/Reduce Corporate Tax Rate. (Public)

Sponsors: Senators Brown; Apodaca, Forrester, Garwood, Hoyle, and Tillman.

Referred to: Finance.

May 23, 2006

A BILL TO BE ENTITLED

AN ACT TO RAISE THE MINIMUM WAGE IN NORTH CAROLINA AND TO
REDUCE THE CORPORATE INCOME TAX RATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 95-25.3(a) reads as rewritten:

"(a) Every employer shall pay to each employee who in any workweek performs any work, wages of at least ~~the minimum wage set forth in paragraph 1 of section 6(a) of the Fair Labor Standards Act, 29 U.S.C. 206(a)(1), as that wage may change from time to time,~~ six dollars (\$6.00) per hour, except as otherwise provided in this section."

SECTION 2. 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. An S Corporation is not subject to the tax levied in this section. The tax is a ~~percentage~~ equal to six percent (6%) of the taxpayer's State net ~~income.~~ income computed as follows:

~~Income Years Beginning Tax~~

~~In 1997 7.5%~~

~~In 1998 7.25%~~

~~In 1999 7%~~

~~After 1999 6.9%."~~

SECTION 3. G.S. 115C-546.1(b) reads as rewritten:

"(b) Each calendar quarter, the Secretary of Revenue shall remit to the State Treasurer for credit to the Public School Building Capital Fund an amount equal to the applicable fraction provided in the table below of the net collections received during the previous quarter by the Department of Revenue under G.S. 105-130.3 minus two million five hundred thousand dollars (\$2,500,000). All funds deposited in the Public School Building Capital Fund shall be invested as provided in G.S. 147-69.2 and G.S. 147-69.3.

Period

Fraction

1	10/1/97 to 9/30/98	One-fifteenth (1/15)
2	10/1/98 to 9/30/99	Two twenty-ninths (2/29)
3	10/1/99 to 9/30/00	One-fourteenth (1/14)
4	<u>10/1/00 to 9/30/06</u> After 9/30/00	Five sixty-ninths (5/69)
5	<u>After 9/30/06</u>	<u>One-twelfth"</u>

6 **SECTION 4.** Section 1 of this act becomes effective September 1, 2006.
7 Section 2 of this act is effective for taxable years beginning on or after January 1, 2006.
8 The remainder of this act is effective when it becomes law.