

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 2514

Short Title: Lower Tax Rate for Certain Corporations.

(Public)

Sponsors: Representative Boylan.

Referred to: Finance.

May 26, 2008

A BILL TO BE ENTITLED

1 AN ACT TO REDUCE THE CORPORATE INCOME TAX RATE TO FIVE
2 PERCENT FOR CORPORATIONS THAT DO NOT REDUCE THEIR
3 WORKFORCE DURING THE TAXABLE YEAR AND THAT DERIVE AT
4 LEAST SIXTY PERCENT OF THEIR NET INCOME FROM DOING BUSINESS
5 IN NORTH CAROLINA.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 105-130.3 reads as rewritten:

8 **"§ 105-130.3. Corporations.**

9 (a) Income Tax. – A tax is imposed on the State net income of every C
10 Corporation doing business in this State. An S Corporation is not subject to the tax
11 levied in this section.

12 (b) Amount. – The tax is a percentage of the taxpayer's State net income
13 computed as follows:

Income Years Beginning	Tax
In 1997	7.5%
In 1998	7.25%
In 1999	7%
After 1999	6.9%.

14 (1) If the taxpayer has at least as many full-time employees at the end of
15 the fiscal year as the taxpayer had at the beginning of the fiscal year
16 and if the taxpayer derives at least sixty percent (60%) of its net
17 income from doing business within the State, the tax is five percent
18 (5%) of the taxpayer's State net income.

19 (2) If the taxpayer does not meet the requirements of subdivision (1) of
20 this subsection, the tax is six and nine-tenths percent (6.9%) of the
21 taxpayer's State net income.

22 (c) Transferred Jobs. – Jobs transferred from one area in the State to another area
23 in the State are not considered new jobs for purposes of this section."
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1 **SECTION 2.** This act becomes effective for taxable years beginning on or
2 after January 1, 2008.