

NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE

**BILL NUMBER:** PCS SB 1245  
**SHORT TITLE:** INTANGIBLES TAX CHANGES

**FISCAL IMPACT:**      **Expenditures:**      Increase ( )      Decrease ( )  
                         **Revenues:**              Increase ( )      Decrease ( )  
                         **No Impact ( )**  
                         **No Estimate Available (X)**

**FUND AFFECTED:**      **General Fund (X)**      **Highway Fund ( )**      **Local Govt. ( )**  
                         **Other Funds ( )**

**BILL SUMMARY:**      (1) Changes method of determining intangibles tax liability on holding of stock of corporations from the formula used to apportion nationwide corporate profits to N.C. (50% sales in N.C., relative to total sales; 25% property; 25% payroll) to an allocation based on the taxable property value plus intangible personal property value in N.C., relative to the total for the corporation.

                         (2) Exempts from the intangibles tax shares of stock that are not publicly traded

**EFFECTIVE DATE:**      December 31, 1993

**PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:**      The tax is collected and distributed by the Department of Revenue.

**FISCAL IMPACT**

FY94                      FY95                      FY96                      FY97  
FY98

**REVENUES:**

**GENERAL FUND**Unknown at this time.

**ASSUMPTIONS AND METHODOLOGY:**

**TECHNICAL CONSIDERATIONS:**      Under current law, any fiscal impact would be to the state General Fund as the intangibles tax distribution to local units is based on an annual appropriations amount that has been frozen at the 1990-91 level for the last two years.

**FISCAL RESEARCH DIVISION: 733-4910**

**PREPARED BY:**      Dave Crotts

**APPROVED BY:**      TomC

**DATE:**      June 30, 1993



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