

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE JOINT RESOLUTION 348

Sponsors: Representative Gamble.

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

March 6, 1995

1 A JOINT RESOLUTION AUTHORIZING THE LEGISLATIVE RESEARCH
2 COMMISSION TO STUDY THE NEED FOR A CORPORATE ALTERNATIVE
3 MINIMUM TAX.

4 Whereas, the Department of State Treasurer has pointed out in one of its
5 annual reports that the revenue laws of the State contain a multiplicity of exemptions,
6 deductions, and exclusions (known collectively as tax expenditures or tax preferences);
7 and

8 Whereas, many of these tax preference items are part of the corporate income
9 tax; and

10 Whereas, the combination of various corporate income tax preference items
11 can in some circumstances reduce a corporation's State income tax to zero or near zero;
12 and

13 Whereas, the federal Internal Revenue Code levies an alternative minimum
14 tax that limits items of tax preference; and

15 Whereas, numerous states also impose an alternative minimum tax on
16 corporate income tax preference items; and

17 Whereas, an alternative minimum tax would prohibit the use of selected tax
18 preference items to reduce a corporation's North Carolina corporate income tax below a
19 minimum level;

20 Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

21 Section 1. The Legislative Research Commission is authorized to study the
22 levy of a corporate alternative minimum income tax. The Commission may review the
23 tax preferences in the State's corporate income tax, the federal alternative minimum tax,

1 alternative minimum taxes of other states; and options for imposing a corporate
2 alternative minimum tax on income tax preference items. The Commission may
3 recommend whether a corporate alternative minimum tax would be beneficial to the
4 State's tax structure. When the recommendations of the Commission, if enacted, would
5 result in an increase or decrease in State tax revenues, the report of the Commission
6 shall include an estimate of the amount of the increase or decrease.

7 Sec. 2. The Commission may call upon the Department of Revenue to
8 cooperate with it in its study of a corporate alternative minimum tax.

9 Sec. 3. The Commission shall make a final report of its recommendations to
10 the 1997 General Assembly and may make an interim report to the 1996 Regular
11 Session of the 1995 General Assembly.

12 Sec. 4. This resolution is effective upon ratification.