

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1271\*

Short Title: Phase Down Corporate Income Tax.

(Public)

Sponsors: Senators Hoyle; and Plexico.

Referred to: Finance.

May 23, 1996

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE CORPORATE INCOME TAX FROM SEVEN AND THREE-FOURTHS PERCENT TO SIX AND THREE-FOURTHS PERCENT OVER A FOUR-YEAR PERIOD.

The General Assembly of North Carolina enacts:

Section 1. 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 at seven and seventy-five one-hundredths percent (7.75%) of the corporation's State net income. State. An S Corporation is not subject to the tax levied in this section. The tax is a percentage of the taxpayer's State net income computed as follows:

Income Years Beginning	Tax
<u>In 1997</u>	<u>7.5%</u>
<u>In 1998</u>	<u>7.25%</u>
<u>In 1999</u>	<u>7%</u>
<u>After 1999</u>	<u>6.25%</u> "

Sec. 2. G.S. 115C-546.1 reads as rewritten:

"§ 115C-546.1. Creation of Fund; administration.

(a) There is created the Public School Building Capital Fund. The Fund shall be used to assist county governments in meeting their public school building capital needs.

1 (b) Each calendar quarter, the Secretary of Revenue shall remit to the State  
2 Treasurer for credit to the Public School Building Capital Fund an amount equal to ~~two~~  
3 ~~thirty-firsts (2/31)~~ the applicable proportion provided in the table below of the net  
4 collections received during the previous quarter by the Department of Revenue under  
5 G.S. 105-130.3 minus two million five hundred thousand dollars (\$2,500,000). All funds  
6 deposited in the Public School Building Capital Fund shall be invested as provided in  
7 G.S. 147-69.2 and G.S. 147-69.3.

8 Period Proportion

9 10/1/97 to 9/30/98

One-fifteenth (1/15)

10 10/1/98 to 9/30/99

Two twenty-ninths (2/29)

11 10/1/99 to 9/30/00

One-fourteenth (1/14)

12 After 9/30/00

Two twenty-sevenths (2/27)

13 (c) The Fund shall be administered by the Office of State Budget and  
14 Management."

15 Sec. 3. Section 2 of this act becomes effective October 1, 1997, and applies to  
16 remittances made on or after that date; the remainder of this act is effective for taxable  
17 years beginning on or after January 1, 1997.