

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S

1

SENATE BILL 12

Short Title: Reduce Corporate Income Tax.

(Public)

Sponsors: Senators Sherron; Perdue, Albertson, Soles, Speed, Blackmon, Hoyle, Warren, Martin of Guilford, Odom, Plyler, Kerr, Plexico, Carpenter, and Rand.

Referred to: Finance.

January 26, 1995

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE CORPORATE INCOME TAX FROM SEVEN AND THREE-FOURTHS PERCENT TO SEVEN PERCENT OVER A THREE-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 1995</u>	7.5%
<u>In 1996</u>	7.25%
<u>After 1996</u>	<u>7%.</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 10/1/95 to 9/30/96

One-fifteenth (1/15)

10 10/1/96 to 9/30/97

Two twenty-ninths (2/29)

11 After 9/30/97

One-fourteenth (1/14).

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

14 Sec. 3. Section 2 of this act becomes effective October 1, 1995, and applies to
15 remittances made on or after that date; the remainder of this act is effective for taxable
16 years beginning on or after January 1, 1995.