

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: SB 414

SHORT TITLE: Interstate Branching Early Opt-In

SPONSOR(S): House Committee Substitute

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

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

BILL SUMMARY:

The proposed act adds a new Article to the General Statutes Chapter 53 permitting interstate branch banking under sections 102 and 103 of the Reigle-Neal Interstate Banking and Branching Efficiency Act of 1994.

House committee substitute replaces 2nd edition. Adds amendment to General Statute 105-102.3 to reduce the privilege tax levied by that section by the average amount for the taxable year of all assets employed outside the State of an out-of-state bank with one or more branches in the State and an in-state-bank with one or more branches outside the State. The annual tax rate is \$30.00 per \$1,000,000 in assets and \$100.00 per year until the bank has filed four quarterly call reports, statements of condition and income, with the Department.

EFFECTIVE DATE: July 1, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

Department of Revenue License and Excise Tax Division
State Banking Commission

**ESTIMATE
FISCAL IMPACT**

	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98	<u>FY</u> 98-99	<u>FY</u> 99-00
REVENUES:					
GENERAL FUND	\$300	\$800	\$1,700	\$2,290	
\$3,250					

ASSUMPTIONS AND METHODOLOGY:

1. 3 banks @ \$100.00 = \$ 300.00 No call reports filed

2. 5 banks @ \$100.00 = \$ 500.00 No call reports filed
 \$10 million in assets \$ 300.00
 Total \$ 800.00

3. 5 banks @ \$100.00 = \$ 500.00 No call reports filed
\$40 million in assets \$1200.00
Total \$1700.00

4. 7 banks @ \$100.00 = \$ 700.00 No call reports filed
\$53 million in assets \$1590.00
Total \$2290.00

5. 10 banks @ \$100.00 = \$1000.00
\$75 million in assets \$2250.00
Total \$3250.00

The "new" language under G.S. 105-102.3 clarifies that the privilege tax paid by an out-of-state bank having branches in the State or an in-state bank having branches outside the State is to be paid on the average of all assets employed by the banking concern; not on the total of those assets employed in the State.

SOURCES OF DATA:

State Banking Commission

FISCAL RESEARCH DIVISION

733-4910

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DATE: June 21, 1995



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