

GENERAL ASSEMBLY OF NORTH CAROLINA
EXTRA SESSION 2007

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SENATE DRS35451-RB-29 (09/11)

Short Title: Business Equality Act. (Public)

Sponsors: Senator Brock.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE CORPORATE INCOME TAX RATE TO THREE PERCENT AND TO EARMARK THE NET COLLECTIONS OF THE CORPORATE INCOME TAX TO THE PUBLIC SCHOOL BUILDING CAPITAL FUND.

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. An S Corporation is not subject to the tax levied in this section. The tax is a ~~percentage~~ three percent (3%) of the taxpayer's State net ~~income computed as follows:~~ income.

Income Years Beginning	Tax
In 1997	7.5%
In 1998	7.25%
In 1999	7%
After 1999	6.9%."

SECTION 2. G.S. 115C-546.1(b) reads as rewritten:

"(b) Each calendar quarter, the Secretary of Revenue shall remit to the State Treasurer for credit to the Public School Building Capital Fund an amount equal to the ~~applicable fraction provided in the table below~~ of the net collections received during the previous quarter by the Department of Revenue under G.S. 105-130.3. All funds deposited in the Public School Building Capital Fund shall be invested as provided in G.S. 147-69.2 and G.S. 147-69.3.

Period	Fraction
10/1/97 to 9/30/98	One fifteenth (1/15)
10/1/98 to 9/30/99	Two twenty ninths (2/29)

1 10/1/99 to 9/30/00 ~~One-fourteenth (1/14)~~
2 ~~After 9/30/00~~ ~~Five-sixty-ninths (5/69)"~~

3 **SECTION 3.** Section 1 of this act is effective for taxable years beginning on
4 or after January 1, 2008. Section 2 of this act becomes effective October 1, 2008, and
5 applies to remittances made on or after that date. The remainder of this act is effective
6 when it becomes law.