GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE DRH70405-MCx-2 (10/8)

Short Title:	Limit Corp. Deduction for Certain Salaries.	(Public)
Sponsors:	Representative Luebke.	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO LIMIT THE CORPORATE DEDUCTION FOR EXCESSIVE COMPENSATION OF CORPORATE EXECUTIVES RELATIVE TO RANK AND FILE EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-130.5(a) is amended by adding a new subdivision to read:

"(21) The amount by which the corporation's deduction under section 162 of the Code for compensation paid to any employee or officer for the taxable year exceeds an amount equal to 50 times the annual compensation of the corporation's lowest paid full-time employee for the taxable year."

SECTION 2. This act is effective for taxable years beginning on or after January 1, 2009. Notwithstanding G.S. 105-163.41, no addition to tax may be made under that statute for a taxable year beginning on or after January 1, 2009, and before January 1, 2010, with respect to an underpayment of corporation income tax to the extent the underpayment was created or increased by this act.