

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

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**SENATE BILL 486\***

Short Title: Change Corporate Income Tax. (Public)

Sponsors: Senators Clodfelter, Brunstetter, Hartsell, and Hoyle.

Referred to: Finance.

March 10, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO CHANGE THE CORPORATE INCOME TAX.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** The General Assembly intends to enact legislation to provide greater  
5 equity and certainty in the tax laws that affect businesses to achieve the following tax policy  
6 goals:

- 7 (1) Provide a more level playing field for all businesses, both those that operate  
8 only in North Carolina and those that operate in multiple states.
- 9 (2) Provide a comprehensive structure to nullify income shifting strategies.
- 10 (3) Modernize the tax laws to adapt to the growth of multistate corporations.
- 11 (4) Reduce uncertainty about when a corporation needs to file a combined  
12 return, who the corporation includes in it, and how the combination is to be  
13 accomplished.
- 14 (5) Broaden the corporate income tax base and adjust the tax rate to make the  
15 changes revenue-neutral.

16 **SECTION 2.** G.S. 105-130.4(h) reads as rewritten:

17 "(h) The income less related expenses from any other ~~nonbusiness~~ activities producing  
18 nonapportionable income or investments not otherwise specified in this section is allocable to  
19 this State if the business situs of the activities or investments are located in this State."

20 **SECTION 3.** This act is effective when it becomes law.

