

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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SENATE BILL 685

Short Title: Reduce Corporate Income Tax Rate. (Public)

Sponsors: Senators East, Goss; Allran, Apodaca, Berger of Rockingham, Bingham, Blake, Brock, Brown, Brunstetter, Clary, Forrester, Goodall, Hartsell, Hunt, Jacumin, Rouzer, Rucho, Stevens, and Tillman.

Referred to: Finance.

March 19, 2009

A BILL TO BE ENTITLED
AN ACT TO REDUCE THE CORPORATE INCOME TAX RATE IN NORTH CAROLINA
TO COMPETE WITH OTHER STATES.

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 of the taxpayer's State net income computed as follows:

Income Years Beginning	Tax
In 1997	7.5%
In 1998	7.25%
In 1999	7%
After 1999	6.9%
<u>In 2009</u>	<u>5.9%</u>
<u>In 2010</u>	<u>4.9%</u>
<u>In 2011 and before 2019</u>	<u>3.9%</u>
<u>In or after 2019</u>	<u>5.9%."</u>

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)
10/1/99 to 9/30/00	One-fourteenth (1/14)
After 9/30/00 <u>10/1/09 through 9/30/10</u>	Five sixty-ninths (5/69) <u>Five fifty-ninths (5/59)</u>
<u>10/1/10 through 9/30/11</u>	<u>Five forty-ninths (5/49)</u>
<u>10/1/11 through 9/30/19</u>	<u>Five thirty-ninths (5/39)</u>
<u>After 9/30/19</u>	<u>Five fifty-ninths (5/59)."</u>

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

