

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2015

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HOUSE BILL 911

Short Title: Various Changes to the Revenue Laws. (Public)

Sponsors: Representatives Brawley and Saine (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Finance.

April 20, 2015

A BILL TO BE ENTITLED
AN ACT TO MAKE VARIOUS CHANGES TO THE REVENUE LAWS.
The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 105-153.5(b) is amended by adding the following new subdivisions to read:

(b) Other Deductions. - In calculating North Carolina taxable income, a taxpayer may deduct from the taxpayer's adjusted gross income any of the following items that are included in the taxpayer's adjusted gross income:

- (10) The amount added to federal taxable income under section 108(8)(1) of the Code. This deduction applies to taxable years beginning on or after January 1, 2014.
(11) The amount claimed under section 67(b)(9) of the Code related to when a taxpayer restores a substantial amount held under claim of right, less (i) the limitation provided under section 67(a) of the Code minus (ii) all other items deductible under section 67(b) of the Code, not to exceed the limitation provided under section 67(a) of the Code.

SECTION 1.(b) This section becomes effective for taxable years beginning on or after January 1, 2014.

SECTION 2.(a) G.S. 105-153.5(c) is amended by adding a new subdivision to read:

(c) Additions. - In calculating North Carolina taxable income, a taxpayer must add to the taxpayer's adjusted gross income any of the following items that are not included in the taxpayer's adjusted gross income:

- (6) The amount of net operating loss carried to and deducted on the federal return but not absorbed in that year and carried forward to a subsequent year.

SECTION 2.(b) This section becomes effective for taxable years beginning on or after January 1, 2015.

SECTION 3. G.S. 105-163.1 reads as rewritten:

§ 105-163.1. Definitions.

The following definitions apply in this Article:

- (6) Individual. - Defined in G.S. 105-134.1.G.S. 105-153.3.



- 1 ...
- 2 (13) Wages. – The term has the same meaning as in section 3401 of the Code
- 3 except it does not include ~~the either of the following:~~
- 4 a. ~~The amount of severance wages paid to an employee during the taxable year~~
- 5 ~~that is exempt from State income tax for that taxable year under~~
- 6 ~~G.S. 105-134.6(b)(11).~~
- 7 b. ~~The amount an employer pays an employee as reimbursement for ordinary~~
- 8 ~~and necessary expenses incurred by the employee on behalf of the employer~~
- 9 ~~and in the furtherance of the business of the employer.~~

10 ...."

11 **SECTION 4.(a)** G.S. 105-130.4(s) reads as rewritten:

12 "(s) All apportionable income of an air transportation corporation or a water

13 transportation corporation shall be apportioned by a fraction, the numerator of which is the

14 corporation's revenue ton miles in this State and the denominator of which is the corporation's

15 revenue ton miles everywhere. A qualified air freight forwarder shall use the revenue ton mile

16 fraction of its affiliated airline. The following definitions apply in this subsection:

- 17 (1) Air transportation corporation. – An airline that carries any combination of
- 18 passengers, freight, or property of any kind, or a qualified air freight
- 19 forwarder.
- 20 (2) Qualified air freight forwarder. – A company that is an affiliate of an airline
- 21 and whose air freight forwarding business is primarily carried on with the
- 22 affiliated airline.
- 23 (3) ~~The term "revenue~~ Revenue ton mile" means one mile. – One ton of
- 24 passengers, freight, mail, or other cargo carried one mile. In making this
- 25 computation, a passenger is considered to weigh two hundred pounds."

26 **SECTION 4.(b)** This section becomes effective for taxable years beginning on or

27 after January 1, 2015.

28 **SECTION 5.** G.S. 105-164.3(44) reads as rewritten:

29 **"§ 105-164.3. Definitions.**

30 The following definitions apply in this Article:

31 ...

- 32 (44) Storage. – The keeping or retention in this State for any purpose, except sale
- 33 in the regular course of business, of tangible personal property or digital
- 34 property purchased from a retailer. ~~The term does not include a purchaser's~~
- 35 ~~storage of tangible personal property or digital property in any of the~~
- 36 ~~following circumstances:~~
- 37 a. ~~When the purchaser is able to document that at the time the purchaser~~
- 38 ~~acquires the property the property is designated for the purchaser's~~
- 39 ~~use outside the State and the purchaser subsequently takes it outside~~
- 40 ~~the State and uses it solely outside the State.~~
- 41 b. ~~When the purchaser acquires the property to process, fabricate,~~
- 42 ~~manufacture, or otherwise incorporate it into or attach it to other~~
- 43 ~~property for the purchaser's use outside the State and, after~~
- 44 ~~incorporating or attaching the purchased property, the purchaser~~
- 45 ~~subsequently takes the other property outside the State and uses it~~
- 46 ~~solely outside the State."~~

47 **SECTION 6.** G.S. 105-242.2(e) reads as rewritten:

48 "(e) Statute of Limitations. – The period of limitations for assessing a responsible person

49 for unpaid taxes under this section expires the later of (i) one year after the expiration of the

50 period of limitations for assessing the business ~~entity~~ entity or (ii) one year after a tax becomes

51 collectible under G.S. 105-241.22(4), (5), or (6)."

1                   **SECTION 7.** Except as otherwise provided, this act is effective when it becomes  
2 law.