

May 13, 1999

**H 1477. CONFORM BANK TAX TO FEDERAL.** *AN ACT TO CONFORM STATE INCOME TAX ON BANKS TO FEDERAL INCOME TAX ON BANKS.* Amends GS 105-130.5(a) to provide that banks may not deduct interest expenses incurred in producing tax-exempt income. Effective for taxable years beginning on or after January 1, 1999. However, no additional tax may be imposed for taxable years beginning on or after January 1, 1999 and before January 1, 2000 with respect to an underpayment created or increased by this amendment.

**Intro. by Miller.**

Ref. to Finance

GS 105