

February 15, 1999

H 73. EXEMPT TOBACCO COMP. PAYMENTS. *TO EXEMPT FROM INCOME TAX PAYMENTS MADE TO TOBACCO FARMERS, TOBACCO WORKERS, ALLOTMENT HOLDERS, AND OTHERS, AS COMPENSATION FOR THEIR LOSSES, PURSUANT TO THE TOBACCO SETTLEMENT AND RELATED AGREEMENTS WITH TOBACCO MANUFACTURERS.* Adds new GS 105-134.6(b)(15) and 105-130.5(b)(18), deducting from federal taxable income payments made to a taxpayer from certain sources (namely the Settlement Reserve Fund, the nonprofit corporation created pursuant to the consent decree in *State v. Philip Morris*, or a tobacco manufacturer pursuant to a voluntary agreement with the State) when those payments are made to compensate the taxpayer for harm done to the tobacco industry because of litigation, federal tobacco legislation, or reduced purchases of tobacco by tobacco manufacturers. Effective for taxable years beginning on or after January 1, 1999.

Intro. by Baker and Russell.

Ref. to

GS 105