

April 12, 2001

H 1157. SCRAP TIRE AMENDMENTS (=S 972). TO AMEND THE SCRAP TIRE MANAGEMENT LAWS OF THE STATE. Identical to S 972, introduced 4/5/01.

Intro. by Hackney.

Ref. to Finance	GS 130A
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July 11, 2001

H 1157. ENFORCE TAX COMPLIANCE & EQUALITY/NO FRAUD. Intro. 4/12/01. Senate committee substitute, adopted 7/10/01, makes the following changes to 1st edition. Replaces original bill with bill entitled *AN ACT TO COMBAT TAX FRAUD, ENHANCE CORPORATE COMPLIANCE WITH TAXES ON TRADEMARK INCOME, ASSURE THAT FRANCHISE TAX APPLIES EQUALLY TO CORPORATE ASSETS, AND CONFORM CORPORATE DIVIDEND TREATMENT TO THE GENERALLY ACCEPTED FORMULA USED IN OTHER STATES*. Substantially identical to provisions in S 1005, 3rd ed., sections 34.6(a) through 34.6(e) and section 34.5(a) [summarized in *Daily Bulletin* of 5/29/01]. Adds provisions providing that fraudulent underpayment of taxes in article constitutes a Class H felony. Specifies that a taxpayer who receives royalty payments for use of trademarks in the state and willfully fails to report the income is "considered to have willfully attempted to defeat this section." Further, a tax preparer is considered to have aided and abetted in the fraud if the preparer signs a return knowing that such income was not reported. Fraud provisions relating to royalty payments from trademarks apply to offenses committed on or after Dec. 1, 2001.

July 11, 2001

H 1157. ENFORCE TAX COMPLIANCE & EQUITY/NO FRAUD. Intro. 4/12/01. House amendments make the following changes to 2nd edition. Amendment 1 amends definition of "related entity" to include a stockholder or a member of a stockholder's family if the stockholder and the family member own in aggregate at least 80% (was 50%) of the value of the taxpayer's outstanding stock. Also amends definition of "related member" to include persons to or for whom there would be attribution of stock ownership pursuant to section 1563(e) of the Internal Revenue Code if the phrase '5 percent or more' in that section were replaced by '20% or more'. Amendment 2 deletes provision that taxpayers who receive royalty payments for use of trademarks and willfully fail to report the payments as income are guilty of fraud and provision that tax preparers who knowingly fail to include such income on tax returns are guilty of aiding and abetting the commission of a fraud.

July 12, 2001

H 1157. ENFORCE TAX COMPLIANCE & EQUALITY/NO FRAUD. Intro. 04/12/01. House amendment makes the following changes to 2nd edition, as amended July 11, 2001. Makes royalty reporting option effective for taxable years beginning on or after Jan. 1, 2001, and other technical changes to conform to July 11, 2001, amendment deleting fraud provision.

August 7, 2001

SL 2001-327 (H 1157). ENFORCE TAX COMPLIANCE AND EQUALITY/NO FRAUD. AN ACT TO COMBAT TAX FRAUD, ENHANCE CORPORATE COMPLIANCE WITH TAXES ON TRADEMARK INCOME, ASSURE THAT FRANCHISE TAX APPLIES EQUALLY TO CORPORATE ASSETS, AND CONFORM CORPORATE DIVIDEND TREATMENT TO THE GENERALLY ACCEPTED FORMULA USED IN OTHER STATES. Summarized in *Daily Bulletin* 7/11/01 and 7/12/01. Enacted Aug. 2, 2001. Effective Aug. 2, 2001.