

April 4, 2001

**S 859. INTERSTATE RECIPROCAL TAX AGREEMENTS. TO EXCLUDE FROM INCOME TAX WAGES RECEIVED BY A NONRESIDENT FROM WORK PERFORMED IN THIS STATE IF THAT INDIVIDUAL'S HOME STATE HAS A SIMILAR LAW AND TO MAKE CONFORMING CHANGES.**

Amends GS 105-134.2 to permit Dep't of Revenue to enter into reciprocal agreements with bordering states, under which North Carolina will exempt from state income tax wages earned in North Carolina by resident of the other state. Requires that the other state have an income tax similar to North Carolina's and agree to exempt from its income tax wages earned in the other state by North Carolina residents, and requires that at least one state party to the agreement have at least five years' of experience with such agreements. Makes conforming changes to other provisions in Ch. 105. Directs the Dep't of Revenue to enter into negotiations with Virginia to establish such an agreement, with a report to the Revenue Laws Study Committee, on the status of the negotiations, by March 1, 2002. Effective for tax years beginning on or after Jan. 1, 2002.

**Intro. by Webster.**

Ref. to Finance	GS 105
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