

May 15, 2003

H 1291. SUBSIDIARY DIVIDEND TAX CHANGES. TO MODIFY THE EXPENSE ATTRIBUTION LAW AS IT APPLIES TO DEDUCTIBLE DIVIDENDS. Amends GS 105-130.6A to delete definition of affiliated group in subdivision (a)(1), delete subsections (c) through (h), and revise subsection (b) to provide that adjustment under GS 105-130.5(c)(3) for expenses related to dividends not taxed under Part 1 (corporate income tax), GS Ch. 105, must be computed under guidelines adopted by Dep't of Revenue, and guidelines must apply equally to bank holding companies, electric power holding companies, and other corporations. Effective for taxable years beginning on or after Jan. 1, 2003. Provides that despite GS 105-163.41, no addition to tax may be made under that statute for taxable year beginning on or after Jan. 1, 2003, and before Jan. 1, 2004, with respect to underpayment of corporation tax to extent underpayment was created or increased by act.

Intro. by McComas.

Ref. to Finance	GS 105
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