

February 22, 2005

H 342. REDUCE FRANCHISE TAX. TO REMOVE THE MINIMUM FRANCHISE TAX BASE FOR CORPORATIONS EXPERIENCING A NET ECONOMIC LOSS. Adds new GS 105-122(d2) to provide that if a corporation has no NC taxable income due to a net economic loss or loss carryforward, its franchise tax base is its apportioned net book value (was, the greatest of (1) its apportioned net book value; (2) 55% of the appraised value of its real and tangible personal property in NC; or (3) its total actual investment in tangible property in NC). Makes technical changes. Effective for taxes due on or after January 1, 2006.

Intro. by Gibson.

Ref. to Finance

GS 105