

February 21, 2005

**S 172. CORPORATE INCOME TAX EXEMPTION.** *TO PROVIDE A CORPORATE INCOME TAX EXEMPTION.* Effective for taxable years on or after January 1, 2005, enacts new GS 105-130.3(b) to permit a C Corporation with no more than \$200,000 of state net income to exempt a portion of that income from the state income tax. The exemption amount is \$25,000 for corporations with no more than \$100,000 of state net income and \$12,500 for corporations with \$100,001 to \$200,000 of state net income. Makes conforming change to GS 115C-546.1(b) to hold harmless the amount of state revenue allocated to the Public School Building Capital Fund from corporate income tax collections.

**Intro. by Smith.**

Ref. to Finance

GS 105