

March 14, 2005

S 541. UPDATE CORPORATE TAX APPORTIONMENT FORMULA. TO ADJUST THE APPORTIONMENT FORMULA SALES FACTOR FOR BROADCASTERS AND PUBLISHERS AND TO UPDATE THE APPORTIONMENT FORMULA PROPERTY FACTOR FOR ALL CORPORATIONS BY EXCLUDING OUTER-JURISDICTIONAL PROPERTY FROM THAT FACTOR. Amends GS 105-130.4 to exclude from the property factor of the corporate income tax apportionment formula tangible personal property that is not physically located in any state, e.g., orbiting satellites and undersea transmission cables. Also enacts special formulas for apportioning income to NC for tax purposes in the case of broadcasters of radio or television programming and publishers and distributors of publications of all types. For a broadcaster, the sales factor of the apportionment formula is proportional to the percentage of its total audience that is in NC. For a publisher or distributor, the sales factor is proportional to the percentage of its total purchasers and subscribers that are in NC. Makes conforming and technical changes. Effective for taxable years beginning on or after January 1, 2005.

Intro. by Clodfelter.

Ref. to

GS 105