

April 16, 2007

**H 1503. STIMULATE ECONOMY MANUFACTURING.** Filed 4/16/07. *TO STIMULATE THE ECONOMY BY EXEMPTING FROM INCOME TAX INCOME DERIVED FROM MANUFACTURING AND BY EXEMPTING MANUFACTURING CORPORATIONS FROM THE FRANCHISE TAX.*

Amends GS 105-130.5(b) and GS 105-134.6(b) to exempt from the state income tax income derived from manufacturing. Enacts new GS 105-125(a)(10) to exempt from the corporate franchise tax a corporation that derives at least eighty percent of its annual revenue directly from manufacturing. Makes conforming changes to GS 105-129.2(16) and 105-129.81(15) (definitions) and to GS 105-130.4(i) (allocation and apportionment of multistate corporate income). Effective for taxable years beginning on or after January 1, 2007.

**Intro. by Blackwood.**

GS 105