

May 21, 2008

H 2416. IRC UPDATE. Filed 5/21/08. *TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS.*

Amends GS 105-228.90(b)(1b) by changing the reference to the Internal Revenue Code from that enacted as of January 1, 2007, to that enacted as of May 1, 2008. With one exception, this change effectively incorporates into North Carolina's tax law changes made by three federal acts: (1) Economic Stimulus Act of 2008 (ESA), (2) Mortgage Forgiveness Debt Relief Act of 2007, and (3) Small Business and Work Opportunity Tax Act of 2007.

Notwithstanding the date change, the bill does not align state law with the accelerated depreciation schedule allowed under ESA. It amends GS 105-130.5 and GS 105-134.6 to require adjustments to reflect the differences in state and federal depreciation schedules.

Effective for taxable years beginning on or after January 1, 2008.

Intro. by Luebke, Wainwright, Weiss, Gibson. GS 105