

March 7, 2007

H 559. SMALL BUSINESS TAX EXEMPTION. Filed 3/7/07. *TO PROVIDE A SMALL BUSINESS INCOME TAX EXEMPTION.*

Effective for taxable years on or after January 1, 2007, enacts new GS 105-130.3(b) to permit a C Corporation to exempt a portion of its income from the state income tax. The exemption amount is \$50,000 for corporations not required to apportion income to the state and is the corporation's apportionment fraction multiplied by \$50,000 for corporations required to apportion income to the state. 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 Holloway.

GS 105, 115C