

ROLL CALL



CHANGES TITLE

**NORTH CAROLINA GENERAL ASSEMBLY
CONFERENCE REPORT
Senate Bill 202**

S202-CRLBxf-140 [v.3]

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[YES] Title Change

[YES] For Committee Substitute

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 202, A BILL TO BE ENTITLED AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES; TO PROVIDE FOR TWO NEW PERMANENT UPPER-INCOME TAX BRACKETS WITH BEGINNING THRESHOLDS AT TWICE AND FIVE TIMES THE CURRENT HIGHEST BRACKET EFFECTIVE JANUARY 1, 2009; TO PERMANENTLY PROVIDE FOR MANDATORY COMBINED REPORTING FOR CORPORATE INCOME TAX PURPOSES EFFECTIVE JANUARY 1, 2010; TO PERMANENTLY EXPAND THE CORPORATE FRANCHISE TAX BASE TO INCLUDE ALL LIMITED LIABILITY BUSINESS ENTITIES EFFECTIVE JANUARY 1, 2010; TO PERMANENTLY MODIFY THE CORPORATE INCOME TAX APPORTIONMENT FORMULA BY REQUIRING THAT SALES BE INCLUDED IN THE NUMERATOR OF THE SALES FACTOR IF THE PROPERTY IS SHIPPED FROM THIS STATE AND THE TAXPAYER IS NOT TAXABLE IN THE STATE WHERE THE PROPERTY IS DELIVERED, EFFECTIVE JANUARY 1, 2010; TO PERMANENTLY CONFORM THE EXEMPTION FOR FINANCIAL INSTITUTIONS FOR INTEREST EXPENSE THAT IS ALLOCABLE TO TAX-EXEMPT INTEREST INCOME TO THE GENERAL FEDERAL TREATMENT OF THIS EXPENSE EFFECTIVE JANUARY 1, 2010; TO PERMANENTLY INCREASE THE STATE GENERAL SALES AND USE TAX RATE BY ONE-QUARTER PERCENTAGE POINT EFFECTIVE AUGUST 1, 2009; TO PERMANENTLY IMPOSE THE STATE AND LOCAL SALES AND USE TAX ON SERVICE CONTRACTS AND ON REPAIR, MAINTENANCE, AND INSTALLATION SERVICES FOR TANGIBLE PERSONAL PROPERTY EFFECTIVE OCTOBER 1, 2009; TO PERMANENTLY IMPOSE THE STATE AND LOCAL SALES AND USE TAX ON LOCAL AND INTERSTATE COURIER SERVICES EFFECTIVE OCTOBER 1, 2009; TO PERMANENTLY IMPOSE THE STATE AND LOCAL SALES AND USE TAX ON SALES OF DIGITAL PRODUCTS EFFECTIVE OCTOBER 1, 2009; TO PERMANENTLY REQUIRE A REMOTE SELLER TO COLLECT SALES TAX WHEN THE SELLER ENTERS INTO AN AGREEMENT WITH ONE OR MORE STATE RESIDENTS PROVIDING FOR A COMMISSION WHEN THE RESIDENT REFERS CUSTOMERS TO THE SELLER AND THE SELLER HAS GROSS RECEIPTS OF AT LEAST TEN THOUSAND DOLLARS ANNUALLY FROM SALES TO ALL CUSTOMERS REFERRED TO THE SELLER BY ALL SUCH RESIDENTS, EFFECTIVE WHEN IT BECOMES LAW; TO PERMANENTLY IMPOSE THE STATE AND LOCAL SALES TAX ON MOVIES AND OTHER AMUSEMENTS IN LIEU OF THE PRIVILEGE TAXES CURRENTLY IMPOSED



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ON THESE ACTIVITIES EFFECTIVE OCTOBER 1, 2009; AND TO PERMANENTLY INCREASE THE EXCISE TAX RATE ON SPIRITUOUS LIQUOR BY ONE AND ONE-HALF PERCENTAGE POINTS EFFECTIVE AUGUST 1, 2009, House Committee Substitute #2 Favorable 6/10/09, Sixth Edition Engrossed 6/13/09, submit the following report:

The Senate concurs in the House Committee Substitute #2 Favorable 6/10/09, Sixth Edition Engrossed 6/13/09, with an amendment:

Delete the entire House Committee Substitute #2 Favorable 6/10/09, Sixth Edition Engrossed 6/13/09, and substitute the attached Proposed Conference Committee Substitute S202- ~~RCS3538~~ - MAX - 3

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date Conferees approved report: August 3, 2009.

Conferees for the Senate

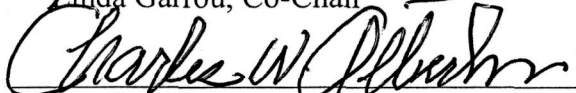
Conferees for the
House of Representatives

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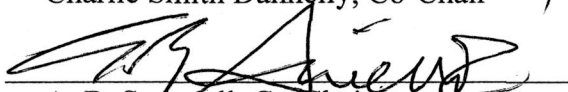
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Linda Garrou, Co-Chair



Charles W. Albertson, Co-Chair



Charlie Smith Dannelly, Co-Chair


A. B. Swindell, Co-Chair

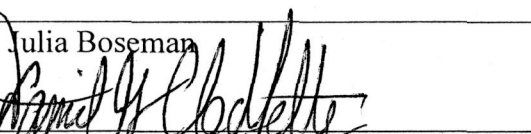
Bob Atwater


Doug Berger


Stan Bingham



Dan Blue

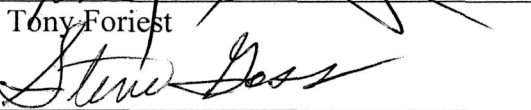
Julia Boseman


Daniel G. Clodfelter



Don Davis

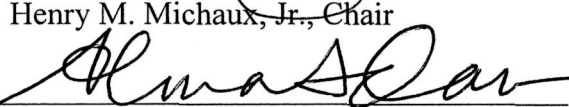

Katie G. Dorsett

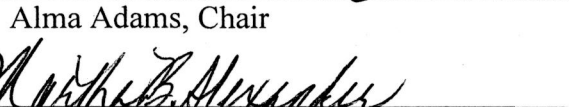

Tony Foriest


Steve Goss

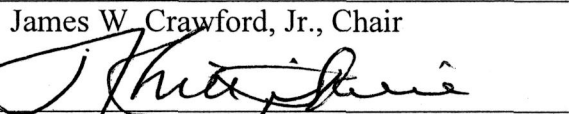
Malcolm Graham


Henry M. Michaux, Jr., Chair



Alma Adams, Chair


Martha B. Alexander, Chair

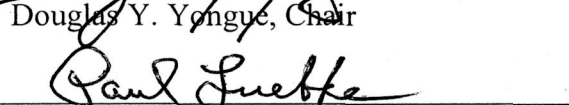
James W. Crawford, Jr., Chair


R. Phillip Haire, Chair



Maggie Jeffus, Chair


Joe P. Tolson, Chair

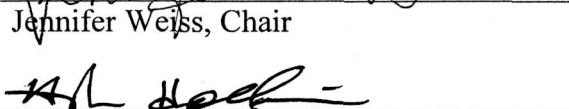

Douglas Y. Yongue, Chair


Paul Luebke, Chair

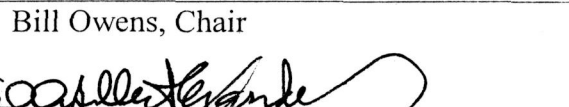

Pryor Gibson, Chair


William L. Wainwright, Chair


Jennifer Weiss, Chair


Hugh Holliman, Chair

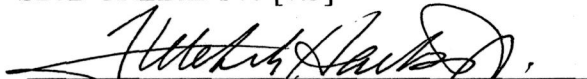
Bill Owens, Chair



Kelly M. Alexander, Jr.

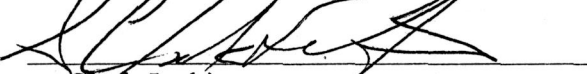
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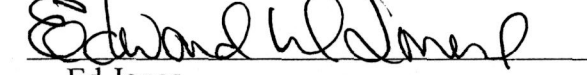
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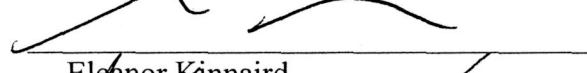
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Fletcher L. Hartsell, Jr.



David W. Hoyle

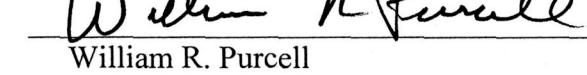

Clark Jenkins


Ed Jones


Eleanor Kinnaird


Floyd B. McKissick, Jr.


Martin L. Nesbitt, Jr.


William R. Purcell


Joe Sam Queen


Tony Rand


Larry Shaw



John Snow



R. C. Soles, Jr.


Josh Stein


Richard Stevens

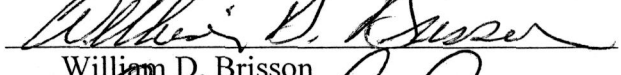

Lucy T. Allen



Jeff Barnhart


Larry M. Bell


Alice L. Bordsen



R. Van Braxton

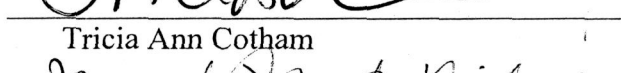

William D. Brisson

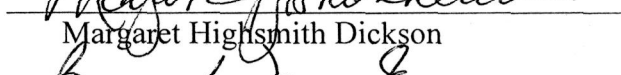

Angela R. Bryant

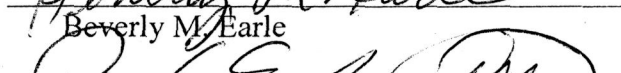

Becky Carney

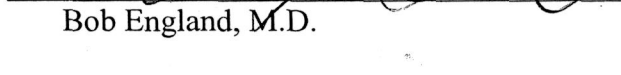

Lorene Coates


Nelson Cole


Tricia Ann Cotham


Margaret Highsmith Dickson


Beverly M. Earle


Bob England, M.D.

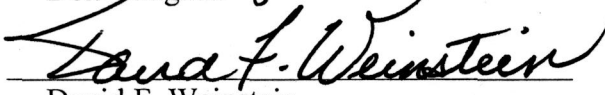
Bill Faison

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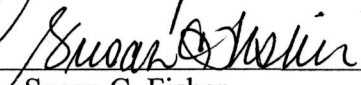
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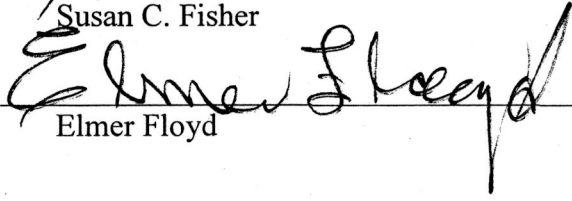
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Don Vaughan


David F. Weinstein


Jean Farmer-Butterfield

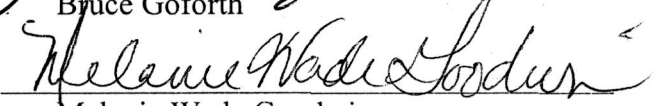

Susan C. Fisher


Elmer Floyd

Phillip Frye

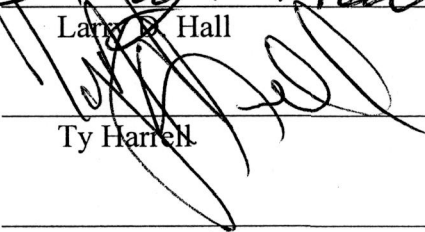
Rick Glazier


Bruce Goforth


Melanie Wade Goodwin

W. Robert Grady

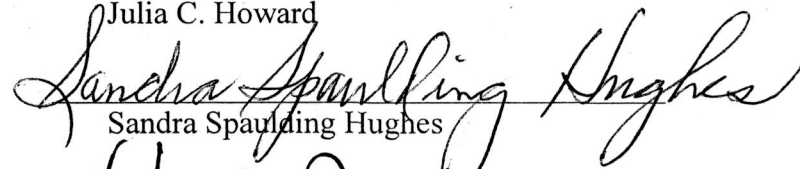

Larry D. Hall


Ty Harrell

Pricey Harrison


Dewey L. Hill

Julia C. Howard


Sandra Spaulding Hughes


Verla Insko

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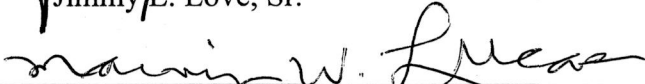
Darren G. Jackson

Earl Jones

Carolyn H. Justice



Jimmy L. Love, Sr.



Marvin W. Lucas




Nick Mackey



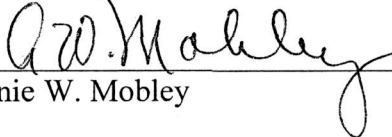
Grier Martin

Daniel F. McComas

Wm. C. "Bill" McGee



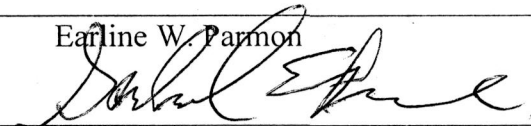
Marian N. McLawhorn



Annie W. Mobley

Tim Moore

Earline W. Parmon



Garland E. Pierce



Ray Rapp

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Deborah K. Ross

Timothy L. Spear

Fred F. Steen, II

Randy Stewart

Ronnie Sutton

Cullie M. Tarleton

Russell E. Tucker

Alice Graham Underhill

Edith D. Warren

Ray Warren

Jane Whilden

Laura I. Wiley

W. A. (Winkle) Wilkins

Arthur Williams

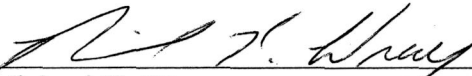
Larry Womble

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Michael H. Wray

Senate
Submitted 8-3-09
Senate ADOPTED 8-4-09 *2nd rdg* (27/17)
Senate ADOPTED 8-5-09 *3rd rdg* (27/18)
House adopted
8-6-09

Message Received 8-6-09
Ordered Enrolled 8-6-09
Senate

PLACED ON CALENDAR FOR
8-4-09

House notified
AUG 5 - 2009

AUG 5 - 2009
ORDERED SENT TO GOVERNOR
BY SPECIAL MESSENGER
James Pruitt

BY SPECIAL MESSENGER
James Pruitt

mt