

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 575
PROPOSED COMMITTEE SUBSTITUTE S575-PCS55362-RBx-13

Short Title: Modify Corporate Apportionment Formula.

(Public)

Sponsors:

Referred to:

March 12, 2009

A BILL TO BE ENTITLED

AN ACT TO ENCOURAGE THE LOCATION AND EXPANSION OF CAPITAL
INTENSIVE COMPANIES IN THIS STATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-130.4 is amended by adding a new subsection to read:

"(s1) All apportionable income of a capital intensive corporation shall be apportioned by multiplying the income by the sales factor as determined under subsection (l) of this section. A 'capital intensive corporation' is a corporation whose property factor as a percentage of the sum of the factors in the formula set out in subsection (i) of this section, including the doubling of the sales factor, exceeds seventy-five percent (75%). A corporation that is subject to this subsection must list on its return the property, payroll, and sales factors it used in determining whether it is a capital intensive corporation."

SECTION 2. G.S. 105-130.4(i) reads as rewritten:

"(i) All apportionable income of corporations other than public ~~utilities and excluded corporations~~ utilities, excluded corporations, and capital intensive corporations shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus twice the sales factor, and the denominator of which is four. ~~Provided, that where~~ If the sales factor does not exist, the denominator of the fraction ~~shall be~~ is the number of existing factors and ~~where~~ if the sales factor exists but the payroll factor or the property factor does not exist, the denominator of the fraction ~~shall be~~ is the number of existing factors plus one."

SECTION 3. This act is effective for taxable years beginning on or after January 1, 2010.



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