

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H.B. 821
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30194-MCf-3

Short Title: Require Certain Installment Payment Agmts. (Public)

Sponsors: Representative Alexander.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THE ALLOWANCE OF CERTAIN BUSINESS INSTALLMENT
3 PAYMENT AGREEMENTS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-237 reads as rewritten:

6 "§ 105-237. Waiver; installment payments.

7 (a) Waiver. – The Secretary may, upon making a record of the reasons therefor, do the
8 following:

- 9 (1) Reduce or waive any penalties provided for in this Subchapter.
10 (2) Reduce or waive any interest provided for in this Subchapter on taxes imposed
11 prior to or during a period for which a taxpayer has declared bankruptcy under
12 Chapter 7 or Chapter 13 of Title 11 of the United States Code.

13 (b) Installment Payments. – After a proposed assessment of a tax becomes final, the
14 Secretary may enter into an agreement with the taxpayer for payment of the tax in installments
15 if the Secretary determines that the agreement will facilitate collection of the tax. The agreement
16 may include a waiver of penalties but may not include a waiver of liability for tax or interest due.
17 For a taxpayer other than an individual, the agreement must provide at least the following
18 minimum time periods for repayment based upon the amount owed:

<u>Repayment amount</u>	<u>Period for repayment</u>
<u>\$7,000 – \$14,999.99</u>	<u>18 months</u>
<u>\$15,000 – \$29,999.99</u>	<u>25 months</u>
<u>\$30,000 – \$49,999.99</u>	<u>40 months</u>
<u>\$50,000 or more</u>	<u>60 months</u>

24 The Secretary may modify or terminate the agreement if one or more of the following
25 findings is made:

- 26 (1) Information provided by the taxpayer in support of the agreement was
27 inaccurate or incomplete.
28 (2) Collection of tax to which the agreement applies is in jeopardy.
29 (3) The taxpayer's financial condition has changed.
30 (4) The taxpayer has failed to pay an installment when due or to pay another tax
31 when due.
32 (5) The taxpayer has failed to provide information requested by the Secretary.

33 The Secretary must give a taxpayer who has entered into an installment agreement at least 30
34 days' written notice before modifying or terminating the agreement on the grounds that the
35 taxpayer's financial condition has changed unless the taxpayer failed to disclose or concealed
36 assets or income when the agreement was made or the taxpayer has acquired assets since the



1 agreement was made that can satisfy all or part of the tax liability. A notice must specify the basis
2 for the Secretary's finding of a change in the taxpayer's financial condition."
3 **SECTION 2.** This act is effective when it becomes law and applies to installment
4 payment agreements entered on or after that date.