

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 75\*

Short Title: EFT of Corporate Estimated Income Tax.

(Public)

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Sponsors: Senators Hoyle, Cochrane, Dalton, Hartsell, Kerr, and Webster.

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Referred to: Finance.

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February 15, 1999

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE CORPORATIONS THAT ARE REQUIRED TO PAY  
2 FEDERAL-ESTIMATED INCOME TAX BY ELECTRONIC FUNDS TRANSFER  
3 TO PAY STATE-ESTIMATED INCOME TAX BY ELECTRONIC FUNDS  
4 TRANSFER.  
5

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 105-163.40 reads as rewritten:

8 "**§ 105-163.40. Time for submitting declaration; time and method for paying**  
9 **estimated ~~tax~~-tax; form of payment.**

10 (a) Due Dates of Declarations. – Declarations of estimated tax are due at the same  
11 time as the corporation's first installment payment. Installment payments are due as  
12 follows:

13 (1) If, before the 1st day of the 4th month of the taxable year, the  
14 corporation's estimated tax equals or exceeds five hundred dollars  
15 (\$500.00), the corporation shall pay the estimated tax in four equal  
16 installments on or before the 15th day of the 4th, 6th, 9th and 12th  
17 months of the taxable year.

18 (2) If, after the last day of the 3rd month and before the 1st day of  
19 the 6th month of the taxable year, the corporation's estimated tax  
20 equals or exceeds five hundred dollars (\$500.00), the corporation shall

1 pay the estimated tax in three equal installments on or before the 15th  
2 day of the 6th, 9th and 12th months of the taxable year.

3 (3) If, after the last day of the 5th month and before the 1st day of  
4 the 9th month of the taxable year, the corporation's estimated tax  
5 equals or exceeds five hundred dollars (\$500.00), the corporation shall  
6 pay the estimated tax in two equal installments on or before the 15th  
7 day of the 9th and 12th months.

8 (4) If, after the last day of the 8th month and before the 1st day of  
9 the 12th month of the taxable year, the corporation's estimated tax  
10 equals or exceeds five hundred dollars (\$500.00), the corporation shall  
11 pay the estimated tax on or before the 15th day of the 12th month of  
12 the taxable year.

13 (b) Payment of Estimated Tax When Declaration Amended. – When a corporation  
14 submits an amended declaration after making one or more installment payments on its  
15 estimated tax, the amount of each remaining installment shall be the amount that would  
16 have been payable if the estimate in the amended declaration was the original estimate,  
17 increased or decreased as appropriate by the amount computed by dividing:

18 (1) The absolute value of the difference between:

19 a. The amount paid and

20 b. The amount that would have been paid if the estimate  
21 in the amended declaration was the original estimate by

22 (2) The number of remaining installments.

23 (c) Short Taxable Year. – Payment of estimated tax for taxable years of less than  
24 12 months shall be made in accordance with rules promulgated by the Secretary.

25 (d) Form of Payment. – A corporation that is required under the Code to pay its  
26 federal-estimated corporate income tax by electronic funds transfer must pay its State-  
27 estimated tax by electronic funds transfer."

28 Section 2. G.S. 105-241(b) reads as rewritten:

29 "(b) Electronic Funds Transfer. —~~The Except as provided in G.S. 105-163.40, the~~  
30 Secretary shall not require a taxpayer to pay a tax by electronic funds transfer unless,  
31 during the applicable period for that tax, the average amount of the taxpayer's required  
32 payments of the tax was at least twenty thousand dollars (\$20,000) a month. The twenty  
33 thousand dollar (\$20,000) threshold applies separately to each tax. The applicable period  
34 for a tax is a 12-month period, designated by the Secretary, preceding the imposition or  
35 review of the payment requirement. The requirement that a taxpayer pay a tax by  
36 electronic funds transfer remains in effect until suspended by the Secretary. Every 12  
37 months after requiring a taxpayer to pay a tax by electronic funds transfer, the Secretary  
38 shall determine whether, during the applicable period for that tax, the average amount of  
39 the taxpayer's required payments of the tax was at least twenty thousand dollars  
40 (\$20,000) a month. If it was not, the Secretary shall suspend the requirement that the  
41 taxpayer pay the tax by electronic funds transfer and shall notify the taxpayer in writing  
42 that the requirement has been suspended."

1                   Section 3. This act becomes effective for taxable years beginning on or after  
2 January 1, 2000.