

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 674

Short Title: Graduated Corporate Income Tax. (Public)

Sponsors: Senator Hoyle.

Referred to: Finance.

April 2, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR A GRADUATED CORPORATE INCOME TAX.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-130.3 reads as rewritten:

5 "**§ 105-130.3. Corporations.**

6 A tax is imposed on the State net income of every C Corporation doing business in
7 this State. An S Corporation is not subject to the tax levied in this section. The tax is
8 computed at the following percentages a percentage of the taxpayer's State net ~~income~~
9 computed as follows:income:

Income Years Beginning	Tax
In 1997	7.5%
In 1998	7.25%
In 1999	7%
After 1999	6.9%.

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
<u>-0-</u>	<u>\$3,000</u>	<u>1%</u>
<u>\$3,000</u>	<u>\$6,000</u>	<u>2%</u>
<u>\$6,000</u>	<u>\$9,000</u>	<u>3%</u>
<u>\$9,000</u>	<u>\$12,000</u>	<u>4%</u>
<u>\$12,000</u>	<u>\$15,000</u>	<u>5%</u>
<u>\$15,000</u>	<u>\$30,000</u>	<u>6%</u>
<u>\$30,000</u>	<u>NA</u>	<u>6.9%"</u>

22 **SECTION 2.** G.S. 115C-546.1 reads as rewritten:

23 "**§ 115C-546.1. Creation of Fund; administration.**

24 (a) There is created the Public School Building Capital Fund. The Fund shall be
25 used to assist county governments in meeting their public school building capital needs
26 and their equipment needs under their local school technology plans.

27 (b) Each calendar quarter, the Secretary of Revenue shall remit to the State
28 Treasurer for credit to the Public School Building Capital Fund an amount equal to the
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1 applicable fraction or percentage provided in the table below of the net collections
2 received during the previous quarter by the Department of Revenue under G.S.
3 105-130.3 minus two million five hundred thousand dollars (\$2,500,000). All funds
4 deposited in the Public School Building Capital Fund shall be invested as provided in
5 G.S. 147-69.2 and G.S. 147-69.3.

6	Period	<u>Fraction or Percentage</u>
7	10/1/97 to 9/30/98	One-fifteenth (1/15)
8	10/1/98 to 9/30/99	Two twenty-ninths (2/29)
9	10/1/99 to 9/30/00	One-fourteenth (1/14)
10	After 9/30/00 <u>10/1/00 to 9/30/05</u>	Five sixty-ninths (5/69)
11	<u>After 10/1/05</u>	<u>Seven and four-tenths percent (7.4%)</u>

12 (c) The Fund shall be administered by the Office of State Budget and
13 Management."

14 **SECTION 3.** This act is effective for taxable years beginning on or after
15 January 1, 2005.