

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1399

Short Title: Reduce Corporate Tax/School Needs.

(Public)

Sponsors: Representative Wilkins.

Referred to: Finance.

May 30, 1996

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE CORPORATE INCOME TAX AND AUTHORIZE CORPORATIONS TO DONATE THE AMOUNT OF THE TAX REDUCTION TO THE STATE SCHOOL TECHNOLOGY FUND FOR IMPROVING STUDENT PERFORMANCE IN THE PUBLIC SCHOOLS THROUGH THE USE OF LEARNING AND INSTRUCTIONAL MANAGEMENT TECHNOLOGIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-130.3 reads as rewritten:

"§ 105-130.3. Corporations.

A tax is imposed on the State net income of every C Corporation doing business in this State at seven and seventy-five one-hundredths percent (7.75%) of the corporation's State net income. State. An S Corporation is not subject to the tax levied in this section. The tax is a percentage of the taxpayer's State net income computed as follows:

Income Years Beginning	Tax
In 1997	7.5%
In 1998	7.25%
In 1999	7%
After 1999	6.75%".

Sec. 2. Article 9 of Chapter 105 of the General Statutes is amended by adding a new section to read:

1 **"§ 105-269.7. Contribution of corporate income tax reduction to State School**
2 **Technology Fund.**

3 A corporation subject to tax under Division I of Article 4 of this Chapter may elect to
4 contribute to the State School Technology Fund created in G.S. 115C-102.6D all or part
5 of the difference between the corporation's tax liability for the taxable year and the
6 amount its tax liability would be if the rate of tax imposed by G.S. 105-130.3 were seven
7 and seventy-five one-hundredths percent (7.75%). The Secretary shall provide
8 appropriate language and space on the corporation income tax form in which to make the
9 election and shall include in the instructions an explanation that amounts donated are
10 deductible contributions and will be used for improving student performance in the public
11 schools through the use of learning and instructional management technologies. A
12 corporation's election becomes irrevocable upon filing its income tax return for the
13 taxable year. The Secretary shall, on a quarterly basis, transmit the contributions made
14 pursuant to this section to the State Treasurer for credit to the State School Technology
15 Fund. Any interest earned on funds so credited shall be credited to that Fund."

16 Sec. 3. G.S. 115C-546.1 reads as rewritten:

17 **"§ 115C-546.1. Creation of Fund; administration.**

18 (a) There is created the Public School Building Capital Fund. The Fund shall be
19 used to assist county governments in meeting their public school building capital needs.

20 (b) Each calendar quarter, the Secretary of Revenue shall remit to the State
21 Treasurer for credit to the Public School Building Capital Fund an amount equal to ~~two~~
22 ~~thirty-firsts (2/31)~~ the applicable proportion provided in the table below of the net
23 collections received during the previous quarter by the Department of Revenue under
24 G.S. 105-130.3 minus two million five hundred thousand dollars (\$2,500,000). All funds
25 deposited in the Public School Building Capital Fund shall be invested as provided in
26 G.S. 147-69.2 and G.S. 147-69.3.

27 Period Proportion

28 10/1/97 to 9/30/98

One-fifteenth (1/15)

29 10/1/98 to 9/30/99

Two twenty-ninths (2/29)

30 10/1/99 to 9/30/00

One-fourteenth (1/14)

31 After 9/30/00

Two twenty-sevenths (2/27)

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

34 Sec. 4. Section 3 of this act becomes effective October 1, 1997, and applies to
35 remittances made on or after that date; the remainder of this act is effective for taxable
36 years beginning on or after January 1, 1997.