

**GENERAL ASSEMBLY OF NORTH CAROLINA
SECOND EXTRA SESSION 2003**

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HOUSE BILL 5

Short Title: Reduce Corporate Income Tax. (Public)

Sponsors: Representatives C. Wilson; and Goodwin.

Referred to: Rules, Calendar, and Operations of the House.

December 9, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO REDUCE THE CORPORATE INCOME TAX TO SIX PERCENT.
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 a
8 percentage of the taxpayer's State net income computed as follows:

9 Income Years Beginning	Tax
10 In 1997	7.5%
11 In 1998	7.25%
12 In 1999	7%
13 After 1999	6.9% <u>In 2000 through 2004</u> <u>6.9%</u>
14 <u>After 2004</u>	<u>6%</u> "

15 **SECTION 2.** G.S. 115C-546.1(b) reads as rewritten:

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

23 Period	Fraction
24 10/1/97 to 9/30/98	One-fifteenth (1/15)
25 10/1/98 to 9/30/99	Two twenty-ninths (2/29)
26 10/1/99 to 9/30/00	One-fourteenth (1/14)
27 After 9/30/00 <u>10/1/00 to 9/30/05</u>	Five sixty-ninths (5/69)
28 <u>After 9/30/05</u>	<u>One-twelfth (1/12)"</u>

29 **SECTION 3.** This act is effective when it becomes law.