

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

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**HOUSE BILL 1649**

Short Title: Corporate Loophole Collection Act. (Public)

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Sponsors: Representative Jones.

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Referred to: Finance.

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May 7, 2009

A BILL TO BE ENTITLED

AN ACT TO ENACT THE CORPORATE LOOPHOLE COLLECTION ACT, WHICH IS AN  
ACT TO CHANGE THE CORPORATE INCOME TAX LAW TO ENHANCE  
CORPORATE INCOME TAX COLLECTION.

The General Assembly of North Carolina enacts:

**SECTION 1.** The General Assembly intends to enact legislation to provide greater equity and certainty in the tax laws that affect businesses to achieve the following tax policy goals:

- (1) Provide a more level playing field for all businesses, both those that operate only in North Carolina and those that operate in multiple states.
- (2) Provide a comprehensive structure to nullify income shifting strategies.
- (3) Modernize the tax laws to adapt to the growth of multistate corporations.
- (4) Reduce uncertainty about when a corporation needs to file a combined return, who the corporation includes in it, and how the combination is to be accomplished.
- (5) Broaden the corporate income tax base and adjust the tax rate to make the changes revenue-neutral.

**SECTION 2.** G.S. 105-130.4(h) reads as rewritten:

"(h) The income less related expenses from any other ~~nonbusiness~~ activities producing nonapportionable income or investments not otherwise specified in this section is allocable to this State if the business situs of the activities or investments are located in this State."

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

