

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1226

Finance Committee Substitute Adopted 6/11/98

House Committee Substitute Favorable 6/30/98

Short Title: Revenue Laws Technical Changes.

(Public)

Sponsors:

Referred to:

May 21, 1998

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES.

The General Assembly of North Carolina enacts:

PART I. GENERAL TECHNICAL CHANGES.

Section 1(a). Article 8D of Chapter 105 of the General Statutes is repealed.

Section 1(b). G.S. 105-130.11(a)(2) reads as rewritten:

"(2) ~~Building and loan associations and savings and loan associations subject to tax under Article 8D of this Chapter; cooperative~~ Cooperative banks without capital stock organized and operated for mutual purposes and without profit; and electric and telephone membership corporations organized under Chapter 117 of the General Statutes."

Section 1(c). G.S. 105-130.5(c) is amended by adding a new subdivision to read:

"(5) A savings and loan association may deduct interest earned on deposits at the Federal Home Loan Bank of Atlanta, or its successor, to the extent included in federal taxable income."

1 Section 1(d). G.S. 105-228.24A is recodified as G.S. 105-130.43.

2 Section 1(e). G.S. 105-130.43, as recodified by this section, reads as rewritten:

3 **"§ 105-130.43. ~~Income tax credit for~~ Credit for savings and loan supervisory fees.**

4 Every savings and loan association is allowed a credit against the ~~income tax imposed~~
5 ~~on it under Article 4 of this Chapter tax imposed by this Part~~ for a taxable year equal to the
6 amount of supervisory fees, paid by the association during the taxable year, that were
7 assessed by the Administrator of the Savings Institutions Division of the Department of
8 Commerce for the State fiscal year beginning ~~on or~~ during that taxable year. This credit
9 may not exceed the amount of ~~income tax payable by the association imposed by this Part~~
10 ~~for the taxable year for which the credit is claimed, year,~~ reduced by the sum of all ~~income~~
11 ~~tax credits~~ allowed against the tax, except tax payments made by or on behalf of the
12 association. ~~The supervisory fees shall not be an allowable deduction in determining taxable~~
13 ~~income for any association claiming the credit allowed under this section. taxpayer. A~~
14 ~~taxpayer that claims the credit allowed under this section may not deduct the supervisory~~
15 ~~fees in determining taxable income."~~

16 Section 1 (f). G.S. 105-83(d) reads as rewritten:

17 "(d) This section does not apply to corporations liable for the tax levied under G.S.
18 ~~105-102.3-105-102.3~~ 105-102.3 or to savings and loan associations."

19 Section 1(g). G.S. 105-88(b) reads as rewritten:

20 "(b) ~~Nothing in this section shall be construed to~~ This section does not apply to banks,
21 industrial banks, trust companies, ~~building savings~~ and loan associations, ~~or~~ cooperative
22 credit unions, ~~nor shall it apply to~~ the business of negotiating loans on real estate as
23 described in G.S. 105-41, ~~nor to~~ pawnbrokers lending or advancing money on specific
24 articles of personal property, ~~nor to~~ or insurance premium finance companies licensed
25 under Article 35 of Chapter 58 of the General Statutes. ~~It shall apply~~ This section applies
26 to those persons or concerns operating what are commonly known as loan companies or
27 finance companies and whose business is as hereinbefore described, and those persons,
28 firms, or corporations pursuing the business of lending money and taking as security for
29 the payment of ~~such the~~ loan and interest an assignment of wages or an assignment of
30 wages with power of attorney to collect ~~same, the amount due,~~ or other order or chattel
31 mortgage or bill of sale upon household or kitchen furniture. No real estate mortgage
32 broker ~~shall be~~ is required to obtain a privilege license under this section merely because
33 ~~he advances his~~ the broker advances the broker's own funds and takes a security interest in
34 real estate to secure ~~such the~~ advances and when, at the time of ~~such advance of his own~~
35 ~~funds, he the advance,~~ the broker has already made arrangements with others for the sale
36 or discount of the obligation at a later date and does so sell or discount ~~such the~~ obligation
37 within the period specified in ~~said the~~ arrangement or extensions thereof; or when, at the
38 time of the advance of ~~his own funds, he the broker~~ intends to sell the obligation to others
39 at a later date and does, within 12 months from date of initial advance, make
40 arrangements with others for the sale of ~~said the~~ obligation and does sell the obligation
41 within the period specified in ~~said the~~ arrangement or extensions thereof; or because ~~he~~
42 ~~advances his~~ the broker advances the broker's own funds in temporary financing directly
43 involved in the production of permanent-type loans for sale to others; and no real estate

1 mortgage broker whose mortgage lending operations are essentially as described above
2 ~~shall be~~ is required to obtain a privilege license under this section."

3 Section 1(h). G.S. 105-102.3 reads as rewritten:

4 "**§ 105-102.3. Banks.**

5 There is hereby imposed upon every bank or banking association, including each
6 national banking association, that is operating in this State as a commercial bank, an
7 industrial bank, a savings bank created other than under Chapter 54B or 54C of the
8 General Statutes or the Home Owners' Loan Act of 1933 (12 U.S.C. §§ 1461-68), a trust
9 company, or any combination of such facilities or services, and whether such bank or
10 banking association, hereinafter to be referred to as a bank or banks, be organized, under
11 the laws of the United States or the laws of North Carolina, in the corporate form or in
12 some other form of business organization, an annual privilege tax in the amount of thirty
13 dollars (\$30.00) for each one million dollars (\$1,000,000) or fractional part thereof of
14 total assets held as hereinafter provided. The assets upon which the tax is levied shall be
15 determined by averaging the total assets shown in the four quarterly call reports of
16 condition (consolidating domestic subsidiaries) for the preceding calendar year as
17 required by bank regulatory authorities; provided, however, where a new bank
18 commences operations within the State there shall be levied and paid an annual privilege
19 tax of one hundred dollars (\$100.00) until such bank shall have made four quarterly call
20 reports of condition (consolidating domestic subsidiaries) for a single calendar year;
21 provided further, however, where a bank operates an international banking facility, as
22 defined in G.S. 105-130.5(b)(13), the assets upon which the tax is levied shall be reduced
23 by the average amount for the taxable year of all assets of the international banking
24 facility which are employed outside the United States, as computed pursuant to G.S. 105-
25 130.5(b)(13)c. For an out-of-state bank with one or more branches in this State, or for an
26 in-state bank with one or more branches outside this State, the assets of the out-of-state
27 bank or of the in-state bank upon which the tax is levied shall be reduced by the average
28 amount for the taxable year of all assets of the out-of-state bank or of the in-state bank
29 which are employed outside this State. The tax imposed hereunder shall be for the
30 privilege of carrying on the businesses herein defined on a statewide basis regardless of
31 the number of places or locations of business within the State. Counties, cities and towns
32 shall not levy a license or privilege tax on the businesses taxed under this section, nor on
33 the business of an international banking facility as defined in subsection (b)(13) of G.S.
34 105-130.5."

35 Section 1(i). This section repeals any law that would otherwise exempt
36 savings and loan associations, as defined in G.S. 54B-4, from the franchise tax imposed
37 in Article 3 of Chapter 105 of the General Statutes.

38 Section 1(j). This section becomes effective for taxable years beginning on or
39 after January 1, 1999.

40 Section 2. G.S. 105-17 is repealed.

41 Section 3. G.S. 105-25 is repealed.

42 Section 4. G.S. 105-130.5(a)(10) reads as rewritten:

1 "(10) The total amounts allowed under this ~~Article~~ Chapter during the
2 taxable year as a credit against the taxpayer's income tax. A
3 corporation that apportions part of its income to this State shall make
4 the addition required by this subdivision after it determines the
5 amount of its income that is apportioned and allocated to this State
6 and shall not apply to a credit taken under this ~~Article~~ Chapter the
7 apportionment factor used by it in determining the amount of its
8 apportioned income."

9 Section 5. G.S. 105-131.1(b) reads as rewritten:

10 "(b) Each shareholder's pro rata share of an S Corporation's income attributable to
11 the State and each resident shareholder's pro rata share of income not attributable to the
12 State, shall be taken into account by the shareholder in the manner and subject to the
13 adjustments provided in ~~Division II~~ Parts 2 and 3 of this Article and section 1366 of the
14 Code and shall be subject to the tax levied under ~~Division II~~ Parts 2 and 3 of this Article."

15 Section 6. G.S. 105-131.6 reads as rewritten:

16 "**§ 105-131.6. Distributions.**

17 (a) Subject to the provisions of subsection (c) of this section, a distribution made
18 by an S Corporation with respect to its stock to a resident shareholder ~~shall be~~ is taxable
19 to the shareholder as provided in ~~Division II~~ Parts 2 and 3 of this Article to the extent that
20 the distribution is characterized as a dividend or as gain from the sale or exchange of
21 property pursuant to section 1368 of the Code.

22 (b) Subject to the provisions of subsection (c) of this section, any distribution of
23 money made by a corporation with respect to its stock to a resident shareholder during a
24 post-termination transition period ~~shall not be~~ is not taxable to the shareholder as provided
25 in ~~Division II~~ Parts 2 and 3 of this Article to the extent the distribution is applied against
26 and reduces the adjusted basis of the stock of the shareholder in accordance with section
27 1371(e) of the Code.

28 (c) In applying sections 1368 and 1371(e) of the Code to any distribution referred
29 to in this section:

30 (1) The term "adjusted basis of the stock" means the adjusted basis of the
31 shareholder's stock as determined under G.S. ~~105-131.3; and~~ 105-131.3.

32 (2) The accumulated adjustments account maintained for each resident
33 shareholder ~~shall~~ must be equal to, and ~~shall be~~ adjusted in the same
34 manner as, the corporation's accumulated adjustments account defined
35 in section 1368(e)(1)(A) of the Code, except that:

36 a. The accumulated adjustments account shall be modified in the
37 manner provided in G.S. ~~105-131.3(b)(1); and~~ 105-131.3(b)(1).

38 b. The amount of the ~~Corporation's~~ corporation's federal
39 accumulated adjustments account that existed on the day this
40 State began to measure the S Corporation shareholders' income
41 by reference to the income of the S Corporation ~~shall be~~ is
42 ignored and ~~shall be~~ is treated for purposes of ~~Divisions I and II~~ of

1 this Article as additional accumulated earnings and profits of the
2 corporation."

3 Section 7. G.S. 105-131.7(e) reads as rewritten:

4 "(e) Amounts paid to the Department on account of the corporation's shareholders
5 under subsections (b) and (c) ~~shall~~ constitute payments on their behalf of the income tax
6 imposed on them under ~~Division II Parts 2 and 3~~ of this Article for the taxable period."

7 Section 8. G.S. 105-131.8 reads as rewritten:

8 **"§ 105-131.8. Tax credits.**

9 (a) For purposes of G.S. ~~405-151, 105-151~~ and G.S. 105-160.4, each resident
10 shareholder ~~shall be~~ is considered to have paid a tax imposed on the shareholder in an
11 amount equal to the shareholder's pro rata share of any net income tax paid by the S
12 Corporation to a state ~~which~~ that does not measure the income of S Corporation
13 shareholders by the income of the S Corporation. For purposes of the preceding
14 sentence, the term "net income tax" means any tax imposed on or measured by a
15 corporation's net income.

16 (b) ~~Each~~ Except as otherwise provided in G.S. 105-160.3, each shareholder of an S
17 Corporation is allowed as a credit against the tax imposed by ~~Division II Parts 2 and 3~~ of
18 this Article an amount equal to the shareholder's pro rata share of the tax credits for
19 which the S Corporation is eligible."

20 Section 9. G.S. 105-134.1(7b) is repealed.

21 Section 10. G.S. 105-160.3(b) reads as rewritten:

22 "(b) The following credits are not allowed to an estate or trust:

23 (1) G.S. 105-151. Tax credits for income taxes paid to other states by
24 individuals.

25 (2) G.S. 105-151.11. Credit for child care and certain employment-related
26 expenses.

27 (3) G.S. 105-151.18. Credit for the disabled.

28 (4) G.S. 105-151.24. Credit for children.

29 (5) G.S. 105-151.26. Credit for charitable contributions by nonitemizers."

30 Section 11. G.S. 105-163.3(a) reads as rewritten:

31 "(a) Requirement. – Every payer who pays a contractor more than six hundred
32 dollars (\$600.00) during a calendar year shall deduct and withhold from compensation
33 paid to ~~a~~ the contractor the State income taxes payable by the contractor on the
34 compensation as provided in this section. The amount of taxes to be withheld is four
35 percent (4%) of the compensation paid to the contractor. The taxes a payer withholds are
36 held in trust for the Secretary."

37 Section 12. G.S. 105-163.3(b) reads as rewritten:

38 "(b) Exemptions. – The withholding requirement does not apply to the following:

39 (1) Compensation that is subject to the withholding requirement of G.S.
40 105-163.2.

41 (2) Compensation paid to an ordained or licensed member of the clergy.

42 (3) Compensation paid to an entity exempt from tax under G.S. 105-
43 130.11."

1 Section 13. G.S. 105-163.3(e) reads as rewritten:

2 "(e) Records. – If a payer does not withhold from payments to a nonresident entity
3 because the entity is exempt from tax under G.S. 105-130.11, the payer shall obtain from
4 the entity documentation proving its exemption from tax. If a payer does not withhold
5 from payments to a nonresident corporation or a nonresident limited liability company
6 because the entity has obtained a certificate of authority from the Secretary of State, the
7 payer shall obtain from the entity its corporate identification number issued by the
8 Secretary of State. If a payer does not withhold from payments to an individual because
9 the individual is a resident, the payer shall obtain the individual's address and social
10 security number. If a payer does not withhold from a partnership because the partnership
11 has a permanent place of business in this State, the payer shall obtain the partnership's
12 address and taxpayer identification number. The payer shall retain this information with
13 its records."

14 Section 13.1(a). G.S. 105-164.3(16)f. reads as rewritten:

15 "f. The sales price of tangible personal property sold through a coin-
16 operated vending machine, other than closed-container soft
17 drinks ~~subject to excise tax under Article 2B of this Chapter or~~
18 tobacco products, is considered to be fifty percent (50%) of the
19 total amount for which the property is sold in the vending
20 machine."

21 Section 13.1(b). G.S. 105-259(b)(15) reads as rewritten:

22 "(15) To exchange information concerning a tax imposed by Articles 2A,
23 ~~2B~~, 2C, or 2D of this Chapter with one of the following agencies
24 when the information is needed to fulfill a duty imposed on the
25 agency:

- 26 a. The North Carolina Alcoholic Beverage Control Commission.
27 b. The Division of Alcohol Law Enforcement of the Department of
28 Crime Control and Public Safety.
29 c. The Bureau of Alcohol, Tobacco, and Firearms of the United
30 States Treasury Department."

31 Section 13.1(c). G.S. 105-267 reads as rewritten:

32 **"§ 105-267. Taxes to be paid; suits for recovery of taxes.**

33 No court of this State shall entertain a suit of any kind brought for the purpose of
34 preventing the collection of any tax imposed in this Subchapter. Whenever a person has a
35 valid defense to the enforcement of the collection of a tax, the person shall pay the tax to
36 the proper officer, and that payment shall be without prejudice to any defense of rights
37 the person may have regarding the tax. At any time within the applicable protest period,
38 the taxpayer may demand a refund of the tax paid in writing from the Secretary and if the
39 tax is not refunded within 90 days thereafter, may sue the Secretary in the courts of the
40 State for the amount demanded. The protest period for a tax levied in Article 2A, ~~2B~~, 2C,
41 or 2D of this Chapter is 30 days after payment. The protest period for all other taxes is
42 one year after payment.

1 The suit may be brought in the Superior Court of Wake County, or in the county in
2 which the taxpayer resides at any time within three years after the expiration of the 90-
3 day period allowed for making the refund. If upon the trial it is determined that all or part
4 of the tax was levied or assessed for an illegal or unauthorized purpose, or was for any
5 reason invalid or excessive, judgment shall be rendered therefor, with interest, and the
6 judgment shall be collected as in other cases. The amount of taxes for which judgment is
7 rendered in such an action shall be refunded by the State. G.S. 105-241.2 provides an
8 alternate procedure for a taxpayer to contest a tax and is not in conflict with or
9 superseded by this section."

10 Section 13.1(d). This section becomes effective July 1, 1999.

11 Section 13.2. G.S. 105-164.4(a)(5) reads as rewritten:

12 "(5) The rate of two percent (2%) applies to the sales price of food that is
13 not otherwise exempt pursuant to G.S. 105-164.13 but would be
14 exempt pursuant to G.S. 105-164.13 if it were purchased with
15 ~~coupons issued~~ under the Food Stamp Program, 7 U.S.C. § 51."

16 Section 14. G.S. 105-164.13(11) reads as rewritten:

17 "(11) Any of the following fuel:

- 18 a. Motor fuel, as defined in G.S. 105-449.60, except motor fuel for
19 which a refund of the per gallon excise tax is allowed under ~~G.S.~~
20 ~~105-449.105(e) or (d) or under~~ G.S. 105-449.107.
21 b. Alternative fuel taxed under Article 36D of this Chapter, unless a
22 refund of that tax is allowed under G.S. 105-449.107."

23 Section 14.1. G.S. 105-164.13(38) reads as rewritten:

24 "(38) Food and other items lawfully purchased ~~with coupons issued~~ under
25 the Food Stamp Program, 7 U.S.C. § 51, and supplemental foods
26 lawfully purchased with a food instrument issued under the Special
27 Supplemental Food Program, 42 U.S.C. § 1786, and supplemental
28 foods purchased for direct distribution by the Special Supplemental
29 Food Program."

30 Section 15. G.S. 105-164.14(a) reads as rewritten:

31 "(a) Interstate Carriers. – An interstate carrier is allowed a refund, in accordance
32 with this section, of part of the sales and use taxes paid by it on lubricants, repair parts,
33 and accessories purchased in this State for a motor vehicle, railroad car, locomotive, or
34 airplane the carrier operates. An "interstate carrier" is a person who is engaged in
35 transporting persons or property in interstate commerce for ~~compensation, is subject to~~
36 ~~regulation by, and to the jurisdiction of, the Interstate Commerce Commission or the United~~
37 ~~States Department of Transportation, and is required by either federal agency to keep records~~
38 ~~according to generally accepted accounting principles (GAAP) or, in the case of a small~~
39 ~~certificated air carrier, to make reports of financial and operating statistics.~~ compensation. The
40 Secretary shall prescribe the periods of time, whether monthly, quarterly, semiannually,
41 or otherwise, with respect to which refunds may be claimed, and shall prescribe the time
42 within which, following these periods, an application for refund may be made.

1 An applicant for refund shall furnish the following information and any proof of the
2 information required by the Secretary:

- 3 (1) A list identifying the lubricants, repair parts, and accessories
4 purchased by the applicant inside or outside this State during the
5 refund period.
- 6 (2) The purchase price of the items listed in subdivision (1) of this
7 subsection.
- 8 (3) The sales and use taxes paid in this State on the listed items.
- 9 (4) The number of miles the applicant's motor vehicles, railroad cars,
10 locomotives, and airplanes were operated both inside and outside
11 this State during the refund period.
- 12 (5) Any other information required by the Secretary.

13 For each applicant, the Secretary shall compute the amount to be refunded as follows.
14 First, the Secretary shall determine the ratio of the number of miles the applicant operated
15 its motor vehicles, railroad cars, locomotives, and airplanes in this State during the refund
16 period to the number of miles it operated them both inside and outside this State during
17 the refund period. Second, the Secretary shall determine the applicant's proportional
18 liability for the refund period by multiplying this mileage ratio by the purchase price of
19 the items identified in subdivision (1) of this subsection and then multiplying the
20 resulting product by the tax rate that would have applied to the items if they had all been
21 purchased in this State. Third, the Secretary shall refund to each applicant the excess of
22 the amount of sales and use taxes the applicant paid in this State during the refund period
23 on these items over the applicant's proportional liability for the refund period."

24 Section 15.1. G.S. 105-187.6(a) reads as rewritten:

25 "(a) Full Exemptions. – The tax imposed by this Article does not apply when a
26 certificate of title is issued as the result of a transfer of a motor vehicle:

- 27 (1) To the insurer of the motor vehicle under G.S. 20-109.1 because the
28 vehicle is a salvage vehicle.
- 29 (2) To either a manufacturer, as defined in G.S. 20-286, or a motor
30 vehicle retailer for the purpose of resale.
- 31 (3) To the same owner to reflect a change or correction in the owner's
32 name.
- 33 (4) By will or intestacy.
- 34 (5) By a gift between a husband and wife, a parent and child, or a
35 stepparent and a stepchild.
- 36 (6) ~~By a distribution of marital property as a result of a divorce.~~ By a
37 distribution of marital or divisible property incident to a marital
38 separation or divorce.
- 39 (7) To a handicapped person from the Department of Health and Human
40 Services after the vehicle has been equipped by the Department for
41 use by the handicapped.
- 42 (8) To a local board of education for use in the driver education program
43 of a public school when the motor vehicle is transferred:

- 1 a. By a retailer and is to be transferred back to the retailer within
2 300 days after the transfer to the local board.
3 b. By a local board of education."

4 Section 16. G.S. 105-197 reads as rewritten:

5 "**§ 105-197. When return required; due date of tax and return.**

6 (a) When Return Required. – Anyone who, during the calendar year, gives to a
7 donee a gift of a future interest or one or more ~~gifts~~ taxable gifts whose total value
8 exceeds the amount of the annual exclusion set in G.S. 105-188(d) must file a gift tax
9 return, under oath or affirmation, with the Secretary on a form prescribed by the
10 Secretary. For the purpose of this section, a taxable gift is a gift that is not exempt under
11 G.S. 105-188(h) or (i).

12 (b) Due Date. – The tax is due on April 15th following the end of the calendar
13 year. A return must be filed on or before the due date of the tax. A taxpayer may ask the
14 Secretary of Revenue for an extension of time for filing a return under G.S. 105-263."

15 Section 17. G.S. 105-228.5(d) reads as rewritten:

16 "(d) Tax Rates; Disposition. –

- 17 (1) Workers Compensation. – The tax rate to be applied to gross
18 premiums, or the equivalent thereof in the case of self-insurers,
19 ~~collected~~ on contracts applicable to liabilities under the Workers'
20 Compensation Act shall be two and five-tenths percent (2.5%). The
21 net proceeds shall be credited to the General Fund.
- 22 (2) Other Insurance Contracts. – The tax rate to be applied to gross
23 premiums ~~collected~~ on all other insurance contracts issued by
24 insurers shall be one and nine-tenths percent (1.9%). The net
25 proceeds shall be credited to the General Fund.
- 26 (3) Additional Statewide Fire and Lightning Rate. – An additional tax
27 shall be applied to ~~amounts collected~~ gross premiums on contracts of
28 insurance applicable to fire and lightning coverage, except in the
29 case of marine and automobile policies, at the rate of one and thirty-
30 three hundredths percent (1.33%). Twenty-five percent (25%) of the
31 net proceeds of this additional tax shall be deposited in the Volunteer
32 Fire Department Fund established in Article 87 of Chapter 58 of the
33 General Statutes. The remaining net proceeds shall be credited to the
34 General Fund.
- 35 (4) Additional Local Fire and Lightning Rate. – An additional tax shall
36 be applied to ~~amounts collected~~ gross premiums on contracts of
37 insurance applicable to fire and lightning coverage within fire
38 districts at the rate of one-half of one percent (1/2 of 1%). The net
39 proceeds shall be credited to the Department of Insurance for
40 disbursement pursuant to G.S. 58-84-25.
- 41 (5) Article 65 Corporations. – The tax rate to be applied to gross
42 premiums and/or gross collections from membership dues, exclusive
43 of receipts from cost plus plans, received by Article 65 corporations

1 shall be one-half of one percent (1/2 of 1%). The net proceeds shall
2 be credited to the General Fund."

3 Section 18. G.S. 105-228.10 reads as rewritten:

4 **"§ 105-228.10. No additional local taxes.**

5 ~~No county, city, or town shall be allowed to impose any additional tax, license, or fee,~~
6 ~~other than ad valorem taxes, upon any insurance company or association paying the fees~~
7 ~~and taxes.~~ No city or county may levy on a person subject to the tax levied in this Article.
8 Article a privilege tax or a tax computed on the basis of gross premiums."

9 Section 19. G.S. 105-249.3 is repealed.

10 Section 20. G.S. 105-259(b)(3) reads as rewritten:

11 "(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who
12 has access to tax information in the course of service to or employment by the State may
13 not disclose the information to any other person unless the disclosure is made for one of
14 the following purposes:

- 15 (3) ~~Review by a tax official of another state or the Internal Revenue~~
16 ~~Commissioner of the United States jurisdiction to aid the state or the~~
17 ~~Commissioner jurisdiction in collecting a tax imposed by this State,~~
18 ~~the other state, or the United States State or the other jurisdiction if~~
19 ~~the laws of the other state or the United States allow the state or the~~
20 ~~United States jurisdiction allow it to provide similar tax information~~
21 ~~to a representative of this State."~~

22 Section 21. G.S. 105-264 reads as rewritten:

23 **"§ 105-264. Effect of Secretary's interpretation of revenue laws.**

24 ~~It shall be is~~ the duty of the Secretary to interpret all laws administered by the
25 Secretary. The Secretary's interpretation of these laws shall be consistent with the
26 applicable rules.

27 An interpretation by the Secretary is prima facie correct. When the Secretary
28 interprets a law by adopting a rule or publishing a bulletin or directive on the law, the
29 interpretation is a protection to the officers and taxpayers affected by the interpretation,
30 and taxpayers are entitled to rely upon the interpretation. If the Secretary changes ~~a rule~~
31 ~~or a bulletin, an interpretation,~~ a taxpayer who relied ~~upon the rule or bulletin on it~~ before it
32 was changed is not liable for any penalty or additional assessment on any tax that accrued
33 before the ~~rule or bulletin interpretation~~ was changed and was not paid by reason of
34 reliance upon the ~~rule or bulletin interpretation~~. If a taxpayer requests in writing specific
35 advice from the Department and receives in response erroneous written advice, the
36 taxpayer is not liable for any penalty or additional assessment attributable to the
37 erroneous advice furnished by the Department to the extent the advice was reasonably
38 relied upon by the taxpayer and the penalty or additional assessment did not result from
39 the taxpayer's failure to provide adequate or accurate information.

40 This section does not prevent the Secretary from changing an interpretation and it
41 does not prevent a change in an interpretation from applying on and after the effective
42 date of the change."

43 Section 22. G.S. 105-277.3 reads as rewritten:

1 **"§ 105-277.3. Agricultural, horticultural, and forestland – Classifications.**

2 (a) Classes Defined. – The following classes of property are hereby designated
3 special classes of property under authority of ~~Article V, Sec. 2(2)~~ Section 2(2) of Article V
4 of the North Carolina Constitution and shall be appraised, ~~assessed and taxed as hereinafter~~
5 ~~provided:~~ assessed, and taxed as provided in G.S. 105-277.2 through G.S. 105-277.7.

6 (1) Agricultural land. – Individually owned agricultural land consisting
7 of one or more tracts, one of which consists of at least 10 acres that
8 are in actual production and that, for the three years preceding
9 January 1 of the year for which the benefit of this section is claimed,
10 have produced an average gross income of at least one thousand
11 dollars (\$1,000). Gross income includes income from the sale of the
12 agricultural products produced from the land and any payments
13 received under a governmental soil conservation or land retirement
14 program. Land in actual production includes land under
15 improvements used in the commercial production or growing of
16 crops, plants, or animals.

17 (2) Horticultural land. – Individually owned horticultural land consisting
18 of one or more tracts, one of which consists of at least five acres that
19 are in actual production and that, for the three years preceding
20 January 1 of the year for which the benefit of this section is claimed,
21 have ~~either:~~ met the applicable minimum gross income requirement.
22 Land in actual production includes land under improvements used in
23 the commercial production or growing of fruits or vegetables or
24 nursery or floral products. Land that has been

25 ~~a.~~ Been used to produce evergreens intended for use as Christmas
26 trees and must have met the qualifying or minimum gross income
27 requirements established by the Department of Revenue for the
28 land; or

29 ~~b.~~ Produced land. All other horticultural land must have produced
30 an average gross income of at least one thousand dollars
31 (\$1,000). Gross income includes income from the sale of the
32 horticultural products produced from the land and any payments
33 received under a governmental soil conservation or land
34 retirement program. Land in actual production includes land under
35 improvements used in the commercial production or growing of fruits
36 or vegetables or nursery or floral products.

37 (3) Forestland. – Individually owned forestland consisting of one or more
38 tracts, one of which consists of at least 20 acres that are in actual
39 production and are not included in a farm unit.

40 (b) Natural Person Ownership Requirements. – In order to come within a
41 classification described in subdivision (a)(1), (2) or (3), above, the property must, ~~subsection~~
42 (a) of this section, the land must, if owned by natural persons, a natural person, also satisfy
43 one of the following conditions:

- 1 (1) It is the owner's place of residence.
- 2 (2) It has been owned by the current owner or a relative of the current
- 3 owner for the four years preceding January 1 of the year for which the
- 4 benefit of this section is claimed.
- 5 (3) At the time of transfer to the current owner, it qualified for classification
- 6 in the hands of a business entity or trust ~~which~~that transferred the
- 7 ~~property~~land to the current owner who was a member of the business
- 8 entity or a beneficiary of the trust, as appropriate.

9 (b1) Entity Ownership Requirements. ~~If~~In order to come within a classification

10 described in subsection (a) of this section, the land must, if owned by a business entity or

11 trust, the property must have been owned by the business entity or trust or by one or more

12 of its members, or by one or more of its creators in the case of a trust, members or creators,

13 respectively, for the four years immediately preceding January 1 of the year for which the

14 benefit of this section is claimed. Notwithstanding the provisions of G.S. 105-277.2(4)b, a

15 business entity qualifying for a classification described in G.S. 105-277.3 shall not lose the

16 benefit of the classification by reason of the death of one of its members if the decedent's

17 ownership passes to and remains in a relative of the decedent.

18 (b2) Exception to Ownership Requirements. ~~Property loses its eligibility for the~~

19 ~~classifications described in subsection (a) of this section if ownership of the property~~

20 ~~passes to anyone other than a relative of the owner or passes to or from a business entity~~

21 ~~or trust from or to anyone other than its members or its creators or beneficiaries,~~

22 ~~respectively, except that property does not lose its eligibility if both of the following~~

23 ~~conditions are met: (i) it~~G.S. 105-277.4(c) provides that deferred taxes are payable if

24 land fails to meet any condition or requirement for classification. Accordingly, if land

25 fails to meet an ownership requirement due to a change of ownership, G.S. 105-277.4(c)

26 applies. Despite this failure and the resulting liability for taxes under G.S. 105-277.4(c),

27 the land may qualify for classification in the hands of the new owner if both of the

28 following conditions are met, even if the new owner does not meet all of the ownership

29 requirements of subsections (b) and (b1) of this section with respect to the land:

30 (1) The land was appraised at its present use value or was eligible for

31 appraisal at its present use value pursuant to that subsection at the time

32 title to the property land passed to the present owner, and (ii) at new

33 owner.

34 (2) At the time title to the property land passed to the present new owner, the

35 owner owned other property land classified under subsection (a).

36 ~~The fact that property may retain its eligibility because the preceding two conditions were~~

37 ~~met does not affect any liability for deferred taxes under G.S. 105-277.4(c) if those taxes~~

38 ~~were otherwise due at the time title passed to the present owner.~~

39 (c) Repealed by Session Laws 1995, c. 454, s. 2.

40 (d) Exception for Conservation Reserve Program. ~~Enrollment Land enrolled in~~

41 ~~the federal Conservation Reserve Program authorized by Title XII of the Food Security~~

42 ~~Act of 1985 (Pub. L. 99-198), as amended, shall not preclude eligibility of land for~~

43 ~~present use value treatment solely on the grounds that the land is no longer~~16 U.S.C. §

1 1381 is considered to be in actual production, and income derived from participation in
2 the federal Conservation Reserve Program may be used in meeting the minimum gross
3 income requirements of this section either separately or in combination with income from
4 actual production. Land enrolled in the federal Conservation Reserve Program shall be
5 assessed as agricultural land if it is planted in vegetation other than trees, or as forest land
6 forestland if it is planted in trees.

7 (e) Exception for Turkey Disease. —Notwithstanding the provisions of subsection
8 (a) of this section, agricultural land that meets all of the following conditions
9 does not lose its eligibility for present use value treatment solely on the grounds that it is
10 no longer in actual production, it no longer meets the minimum income requirements, or
11 both: is considered to be in actual production and to meet the minimum gross income
12 requirements:

13 (1) The land was in actual production in turkey growing within the
14 preceding two years and qualified for present use value treatment while
15 it was in actual production.

16 (2) The land was taken out of actual production in turkey growing solely for
17 health and safety considerations due to the presence of Poult Enteritis
18 Mortality Syndrome among turkeys in the same county or a neighboring
19 county.

20 (3) The land is otherwise eligible for present use value treatment."

21 Section 23. G.S. 105-277.4(c) reads as rewritten:

22 "(c) Deferred Taxes. —Property Land meeting the conditions for classification under
23 G.S. 105-277.3 shall be taxed on the basis of the value of the property land for its present
24 use. The difference between the taxes due on the present-use basis and the taxes which
25 that would have been payable in the absence of this classification, together with any
26 interest, penalties, or costs that may accrue thereon, shall be are a lien on the real property
27 of the taxpayer as provided in G.S. 105-355(a). The difference in taxes shall be carried
28 forward in the records of the taxing unit or units as deferred taxes, but shall not be payable,
29 unless and until the property loses its eligibility for the benefit of this classification. taxes. The
30 taxes become due and payable when the land fails to meet any condition or requirement
31 for classification. The tax for the fiscal year that opens in the calendar year in which a
32 disqualification occurs shall be deferred taxes become due is computed as if the property
33 land had not been classified for that year, and taxes for the preceding three fiscal years
34 which that have been deferred shall immediately be are immediately payable, together with
35 interest thereon as provided in G.S. 105-360 for unpaid taxes which shall accrue taxes.
36 Interest accrues on the deferred taxes due as if they had been payable on the dates on
37 which they originally became due. If only a part of the qualifying tract of land loses its
38 eligibility, fails to meet a condition or requirement for classification, a determination shall
39 be made of the amount of deferred taxes applicable to that part and that amount shall
40 become becomes payable with interest as provided above. Upon the payment of any taxes
41 deferred in accordance with this section for the three years immediately preceding a
42 disqualification, all liens arising under this subsection shall be are extinguished."

43 Section 24. G.S. 105-277.2(4)b. reads as rewritten:

1 "b. A business entity having as its principal business one of the
2 activities described in subdivisions (1), (2), and (3) and whose
3 members ~~are all either a natural person~~ are all natural persons who
4 meet one or more of the following conditions:

- 5 1. The member is actively engaged in the business of the
6 entity or a entity.
- 7 2. The member is a relative of a member who is actively
8 engaged in the business of the entity.
- 9 3. The member is a relative of, and inherited the membership
10 interest from, a decedent who met one or both of the
11 preceding conditions after the land qualified for
12 classification in the hands of the business entity."

13 Section 25. G.S. 105-333(14) reads as rewritten:

14 "(14) Public service company. – A railroad company, a pipeline company,
15 a gas company, an electric power company, an electric membership
16 corporation, a telephone company, a telegraph company, a bus line
17 company, an airline company, or a motor freight carrier company.
18 ~~any other~~ The term also includes any company performing a public
19 service that is regulated by the Interstate Commerce Commission, the
20 Federal Power Commission, United States Department of Energy, the
21 United States Department of Transportation, the Federal
22 Communications Commission, the Federal Aviation Agency, or the
23 North Carolina Utilities Commission, except that the term does not
24 include a water company, a radio common carrier company as
25 defined in G.S. 62-119(3), a cable television company, or a radio or
26 television broadcasting company. The term also includes a motor
27 freight carrier company. For purposes of appraisal under this Article, the
28 term also includes a pipeline company whether or not it performs a public
29 service and whether or not it is regulated by one of the regulatory agencies
30 named in this subdivision."

31 Section 26. G.S. 105-378(c) is repealed.

32 Section 27. G.S. 105-395(b) is repealed.

33 Section 28. G.S. 105-449.88(2) reads as rewritten:

34 "(2) Motor fuel sold to the federal ~~government~~ government for its use."

35 Section 29. G.S. 105-449.105(d) is repealed.

36 Section 30. G.S. 105-449.110(b) reads as rewritten:

37 "(b) Interest. – The rate of interest payable on a refund is the rate set in ~~G.S. 105-~~
38 ~~242.1(i)~~ G.S. 105-241.1(i). Interest accrues on a refund from the date that is 90 days after
39 the later of the following:

- 40 (1) The date the application for refund was filed.
- 41 (2) The date the application for refund was due."

42 Section 30.1. G.S. 105-467(5) reads as rewritten:

1 (5) The sales price of food that is not otherwise exempt from tax
2 pursuant to G.S. 105-164.13 but would be exempt from the State
3 sales and use tax pursuant to G.S. 105-164.13 if it were ~~purchased~~
4 ~~with coupons~~ issued under the Food Stamp Program, 7 U.S.C. § 51."

5 Section 31. G.S. 105-487 reads as rewritten:

6 "**§ 105-487. Use of additional tax revenue by ~~counties and municipalities.~~ counties.**

7 (a) Except as provided in subsection (c), forty percent (40%) of the revenue
8 received by a county from additional one-half percent (1/2%) sales and use taxes levied
9 under this Article during the first five fiscal years in which the additional taxes are in
10 effect in the county and thirty percent (30%) of the revenue received by a county from
11 these taxes in the next 10 fiscal years in which the taxes are in effect in the county may
12 be used by the county only for public school capital outlay purposes or to retire any
13 indebtedness incurred by the county for these purposes.

14 ~~(b) Except as provided in subsection (c), forty percent (40%) of the revenue~~
15 ~~received by a municipality from additional one-half percent (1/2%) sales and use taxes~~
16 ~~levied under this Article during the first five fiscal years in which the additional taxes are~~
17 ~~in effect in the municipality and thirty percent (30%) of the revenue received by a~~
18 ~~municipality from these taxes in the second five fiscal years in which the taxes are in~~
19 ~~effect in the municipality may be used by the municipality only for water and sewage~~
20 ~~capital outlay purposes or to retire any indebtedness incurred by the municipality for~~
21 ~~these purposes.~~

22 (c) The Local Government Commission may, upon petition by a ~~county or~~
23 ~~municipality,~~ authorize a county or municipality ~~county,~~ authorize the county to use part or
24 all its tax revenue, otherwise required by subsection (a) ~~or (b) of this section~~ to be used
25 for public schools ~~or water and sewage~~ school capital needs, for any lawful purpose. The
26 petition shall be in the form of a resolution adopted by the ~~City Council or~~ Board of
27 County Commissioners and transmitted to the Local Government Commission. The
28 petition shall demonstrate that the county ~~or municipality~~ can provide for its public school
29 ~~or water and sewage~~ capital needs without restricting the use of part or all of the designated
30 amount of the additional one-half percent (1/2%) sales and use tax revenue for ~~these~~
31 ~~purposes.~~ that purpose.

32 In making its decision, the Local Government Commission shall consider information
33 contained in the petition concerning not only the public school ~~or water and sewage~~ capital
34 needs, but also the other capital needs of the petitioning ~~county or municipality.~~ county.
35 The Commission may also consider information from sources other than the petition.
36 The Commission shall issue a written decision on each petition stating the findings of the
37 Commission concerning the public school ~~or water and sewage~~ capital needs of the
38 petitioning county ~~or municipality~~ and the percentage of revenue otherwise restricted by
39 subsection (a) ~~or (b) of this section~~ that may be used by the petitioning county ~~or~~
40 ~~municipality~~ for any lawful purpose.

41 Decisions of the Commission allowing counties ~~or municipalities~~ to use a percentage of
42 their tax revenue that would otherwise be restricted under subsection (a) ~~or (b) of this~~
43 section for any lawful purpose are final and shall continue in effect until the restrictions

1 imposed by ~~those subsections that~~ subsection expire. A county ~~or municipality~~ whose
2 petition is denied, in whole or in part, by the Commission may subsequently submit a
3 new petition to the Commission.

4 (d) For purposes of determining the number of fiscal years in which one-half
5 percent (1/2%) sales and use taxes levied under this Article have been in effect in a ~~county~~
6 ~~or municipality, county,~~ these taxes are considered to be in effect only from the effective
7 date of the levy of these taxes and are considered to be in effect for a full fiscal year
8 during the first year in which these taxes were in effect, regardless of the number of
9 months in that year in which the taxes were actually in effect.

10 (e) A county ~~or municipality~~ may expend part or all of the revenue restricted for
11 public school ~~or water and sewage~~ capital needs pursuant to ~~subsections (a) and (b)~~
12 subsection (a) of this section in the fiscal year in which the revenue is received, or the
13 county ~~or municipality~~ may place part or all of this revenue in a capital reserve fund and
14 shall specifically identify this revenue in accordance with Chapter 159 of the General
15 Statutes."

16 Section 32. G.S. 105-504 is repealed.

17 Section 33. G.S. 105-550 reads as rewritten:

18 "**§ 105-550. Definitions.**

19 The definitions in G.S. 105-164.3 and the following definitions apply in this Article:

20 (1) Authority. – A regional public transportation authority or a regional
21 transportation authority created pursuant to Article 26 or Article 27
22 of Chapter 160A of the General Statutes.

23 (2) Long-term lease or rental. – Defined in G.S. 105-187.1.

24 (3) Motorcycle. – Defined in G.S. 20-4.01.

25 (4) ~~Private passenger vehicle. – Defined in G.S. 20-4.01.~~

26 (5) Public transportation system. – Any combination of real and
27 personal property established for purposes of public transportation.
28 The systems may include one or more of the following: structures,
29 improvements, buildings, equipment, vehicle parking or passenger
30 transfer facilities, railroads and railroad rights-of-way, rights-of-way,
31 bus services, shared-ride services, high-occupancy vehicle facilities,
32 carpool and vanpool programs, voucher programs,
33 telecommunications and information systems, integrated fare
34 systems, bus lanes, and busways. The term does not include,
35 however, streets, roads, or highways except to the extent they are
36 dedicated to public transportation vehicles or to the extent they are
37 necessary for access to vehicle parking or passenger transfer
38 facilities.

39 (6) Short-term lease or rental. – A lease or rental that is not a long-term
40 lease or rental.

41 (7) U-drive-it passenger vehicle. – Defined in G.S. 20-4.01."

42 Section 34. G.S. 105-551(a) reads as rewritten:

1 "(a) Tax. – The board of trustees of an Authority may levy a privilege tax on a
2 retailer who is engaged in the business of leasing or renting ~~private-U-drive-it~~ passenger
3 vehicles or motorcycles based on the gross receipts derived by the retailer from the short-
4 term lease or rental of these vehicles. The tax rate must be a percentage and may not
5 exceed five percent (5%). A tax levied under this section applies to short-term leases or
6 rentals made by a retailer whose place of business or inventory is located within the
7 territorial jurisdiction of the Authority. This tax is in addition to all other taxes."

8 Section 35. G.S. 105-552(b) reads as rewritten:

9 "(b) Collection. – A tax levied by an Authority under this Article shall be collected
10 by the Authority but shall otherwise be administered in the same manner as the optional
11 gross receipts tax levied by G.S. 105-187.5. Like the optional gross receipts tax, a tax
12 levied under this Article is to be added to the lease or rental price of a ~~private-U-drive-it~~
13 passenger vehicle or motorcycle and thereby be paid by the person to whom it is leased or
14 rented.

15 A tax levied under this Article applies regardless of whether the retailer who leases or
16 rents the ~~private-U-drive-it~~ passenger vehicle or motorcycle has elected to pay the
17 optional gross receipts tax on the lease or rental receipts from the vehicle. A tax levied
18 under this Article must be paid to the Authority that levied the tax by the date an optional
19 gross receipts tax would be payable to the Secretary of Revenue under G.S. 105-187.5 if
20 the retailer who leases or rents the ~~private-U-drive-it~~ passenger vehicle or motorcycle had
21 elected to pay the optional gross receipts tax."

22 Section 36. S.L. 1997-139 is reenacted.

23 Section 37. Article 3 of Chapter 66 of the General Statutes is repealed.

24 Section 38(a). G.S. 105A-2(2)e. reads as rewritten:

25 "e. A sum owed as a result of having obtained public assistance
26 payments under any of the following programs through an
27 intentional false statement, intentional misrepresentation,
28 intentional failure to disclose a material fact, or inadvertent
29 household error:

30 1. ~~The Aid to Families with Dependent Children-Work First~~
31 ~~Program or the Aid to Families with Dependent Children~~
32 ~~—Emergency Assistance Program, enabled by provided in~~
33 ~~Article 2 of Chapter 108A, Article 2, Part 2. 108A of the~~
34 ~~General Statutes.~~

35 2. ~~The Work-First-Cash-Assistance-State-County~~
36 ~~Special Assistance for Adults Program established~~
37 ~~pursuant to federal waivers received by the Department~~
38 ~~of Health and Human Services on February 5, 1996.~~
39 ~~enabled by Part 3 of Article 2 of Chapter 108A of the~~
40 ~~General Statutes.~~

41 3. ~~The State-County Special Assistance for Adults Program,~~
42 ~~enabled by Chapter 108A, Article 2, Part 3. A successor~~
43 ~~program of one of these programs.~~

1 4. ~~A successor program of one of these programs.~~
2 ~~of the General Statutes or"~~

3 Section 38(b). This section becomes effective January 1, 2000.

4 Section 39. G.S. 120-70.105 reads as rewritten:

5 "**§ 120-70.105. Creation and membership of the Revenue Laws Study Committee.**

6 (a) Membership. – The Revenue Laws Study Committee is established. The
7 Committee consists of 16 members as follows:

8 (1) Eight members appointed by the President Pro Tempore of the
9 Senate; the persons appointed may be members of the Senate or
10 public members.

11 (2) Eight members appointed by the Speaker of the House of
12 Representatives; the persons appointed may be members of the
13 House of Representatives or public members.

14 (b) Terms. – Terms on the Committee are for two years and begin on January 15
15 of each odd-numbered year, except the terms of the initial members, which begin on
16 appointment. Legislative members may complete a term of service on the Committee
17 even if they do not seek reelection or are not reelected to the General Assembly, but
18 resignation or removal from service in the General Assembly constitutes resignation or
19 removal from service on the Committee.

20 A member continues to serve until ~~his~~a successor is appointed. A vacancy shall be
21 filled within 30 days by the officer who made the original appointment."

22 Section 40. Article 8 of Chapter 136 of the General Statutes is repealed.

23
24 PART II. CONFORM STATUTORY NOMENCLATURE.

25 Section 41. The designation of G.S. 105-103 through G.S. 105-113 as
26 Division I of Article 2 of Chapter 105 of the General Statutes is eliminated, so that
27 Article 2 contains G.S. 105-33 through G.S. 105-113 without any subdivision into Parts.

28 Section 42. Division I of Article 4 of Chapter 105 of the General Statutes is
29 redesignated Part 1.

30 Section 43. Division IS of Article 4 of Chapter 105 of the General Statutes is
31 redesignated Part 1A.

32 Section 44. Division II of Article 4 of Chapter 105 of the General Statutes is
33 redesignated Part 2.

34 Section 45. Division III of Article 4 of Chapter 105 of the General Statutes is
35 redesignated Part 3.

36 Section 46. Division V of Article 4 of Chapter 105 of the General Statutes is
37 redesignated Part 5.

38 Section 47. Division I of Article 5 of Chapter 105 of the General Statutes is
39 redesignated Part 1.

40 Section 48(a). G.S. 105-164.4 through G.S. 105-164.12A are merged into
41 Division II of Article 5 of Chapter 105 of the General Statutes without subdivision into
42 Parts, and the designations for Parts 1 through 4 of that Division are eliminated.

1 Section 48(b). Division II of Article 5 of Chapter 105 of the General Statutes
2 is redesignated Part 2.

3 Section 49. Division III of Article 5 of Chapter 105 of the General Statutes is
4 redesignated Part 3.

5 Section 50. Division IV of Article 5 of Chapter 105 of the General Statutes is
6 redesignated Part 4.

7 Section 51. Division V of Article 5 of Chapter 105 of the General Statutes is
8 redesignated Part 5.

9 Section 52. Division VI of Article 5 of Chapter 105 of the General Statutes is
10 redesignated Part 6.

11 Section 53. Division VII of Article 5 of Chapter 105 of the General Statutes is
12 redesignated Part 7.

13 Section 54. Division VIII of Article 5 of Chapter 105 of the General Statutes is
14 redesignated Part 8.

15 Section 55. The title of Article 1 of Chapter 105 of the General Statutes reads
16 as rewritten:

17 **"ARTICLE 1.**

18 **~~SCHEDULE A. INHERITANCE TAX.~~"**

19 Section 56. The title of Article 2A of Chapter 105 of the General Statutes
20 reads as rewritten:

21 **"ARTICLE 2A.**

22 **~~SCHEDULE B-A. TOBACCO PRODUCTS TAX.~~"**

23 Section 57. The title of Article 2B of Chapter 105 of the General Statutes
24 reads as rewritten:

25 **"ARTICLE 2B.**

26 **~~SCHEDULE B-B. SOFT DRINK TAX.~~"**

27 Section 58. The title of Article 2C of Chapter 105 of the General Statutes
28 reads as rewritten:

29 **"ARTICLE 2C.**

30 **~~SCHEDULE B-C. ALCOHOLIC BEVERAGE LICENSE AND EXCISE TAXES.~~"**

31 Section 59. The title of Article 2D of Chapter 105 of the General Statutes
32 reads as rewritten:

33 **"ARTICLE 2D.**

34 **~~SCHEDULE B-D. UNAUTHORIZED SUBSTANCES TAXES.~~"**

35 Section 60. The title of Article 3 of Chapter 105 of the General Statutes reads
36 as rewritten:

37 **"ARTICLE 3.**

38 **~~SCHEDULE C. FRANCHISE TAX.~~"**

39 Section 61. The title of Article 4 of Chapter 105 of the General Statutes reads
40 as rewritten:

41 **"ARTICLE 4.**

42 **~~SCHEDULE D. INCOME TAX.~~"**

1 Section 62. The title of Article 5 of Chapter 105 of the General Statutes reads
2 as rewritten:

3 "ARTICLE 5.
4 ~~SCHEDULE E. SALES AND USE TAX."~~

5 Section 63. The title of Article 6 of Chapter 105 of the General Statutes reads
6 as rewritten:

7 "ARTICLE 6.
8 ~~SCHEDULE G. GIFT TAXES."~~

9 Section 64. The title of Article 8A of Chapter 105 of the General Statutes
10 reads as rewritten:

11 "ARTICLE 8A.
12 ~~SCHEDULE I-A. GROSS EARNINGS TAXES ON FREIGHT LINE COMPANIES~~
13 ~~IN LIEU OF AD VALOREM TAXES."~~

14 Section 65. The title of Article 8B of Chapter 105 of the General Statutes
15 reads as rewritten:

16 "ARTICLE 8B.
17 ~~SCHEDULE I-B. TAXES UPON INSURANCE COMPANIES."~~

18 Section 66. The title of Article 8D of Chapter 105 of the General Statutes
19 reads as rewritten:

20 "ARTICLE 8D.
21 ~~SCHEDULE I-D. TAXATION OF SAVINGS AND LOAN~~
22 ~~ASSOCIATIONS."~~

23 Section 67. The title of Article 9 of Chapter 105 of the General Statutes reads
24 as rewritten:

25 "ARTICLE 9.
26 ~~SCHEDULE J. GENERAL ADMINISTRATION; PENALTIES AND~~
27 ~~REMEDIES."~~

28 Section 68. The following sections of the General Statutes are amended by
29 deleting the phrase "This Division" each time it occurs and substituting "This Part" :

30 G.S. 105-130
31 G.S. 105-131(a)
32 G.S. 105-131.1(b)
33 G.S. 105-133
34 G.S. 105-160

35 Section 69. The following sections of the General Statutes are amended by
36 deleting the phrase "this Division" or "this division" each time it occurs and substituting
37 "this Part":

38 G.S. 105-130.1
39 G.S. 105-130.2
40 G.S. 105-130.4(l)(1)
41 G.S. 105-130.4(m)
42 G.S. 105-130.5(a)(2)
43 G.S. 105-130.5(c)

1 G.S. 105-130.6
2 G.S. 105-130.8
3 G.S. 105-130.11
4 G.S. 105-130.12
5 G.S. 105-130.15
6 G.S. 105-130.16
7 G.S. 105-130.18
8 G.S. 105-130.22
9 G.S. 105-130.23
10 G.S. 105-130.25
11 G.S. 105-130.34
12 G.S. 105-130.41
13 G.S. 105-130.42
14 G.S. 105-131(b) & (c)
15 G.S. 105-134
16 G.S. 105-134.1
17 G.S. 105-134.3
18 G.S. 105-134.6
19 G.S. 105-151.1
20 G.S. 105-151.2
21 G.S. 105-151.11(a)
22 G.S. 105-151.12
23 G.S. 105-151.18(a) & (b)
24 G.S. 105-151.20
25 G.S. 105-151.22
26 G.S. 105-151.23
27 G.S. 105-151.24
28 G.S. 105-151.26
29 G.S. 105-152(a) through (d)
30 G.S. 105-154
31 G.S. 105-156
32 G.S. 105-158
33 G.S. 105-160.1
34 G.S. 105-160.2
35 G.S. 105-160.4(a)
36 G.S. 105-160.5
37 G.S. 105-160.8
38 G.S. 105-163.010
39 G.S. 105-163.013
40 G.S. 105-163.014

41 Section 70. The following sections of the General Statutes are amended by
42 deleting the phrase "Division I" each time it occurs and substituting the phrase "Part 1" :

43 G.S. 105-131(b)(2)

1 G.S. 105-164.44C
2 G.S. 105-275.1(e)
3 G.S. 105-277.001(f)
4 G.S. 105-277.1A(f)

5 Section 71. The following sections of the General Statutes are amended by
6 deleting the phrase "Division II" each time it occurs and substituting the phrase "Part 2" :

7 G.S. 105-160.1
8 G.S. 105-160.4(e)
9 G.S. 105-163.011(b) & (b1)
10 G.S. 105-163.012
11 G.S. 105-163.15
12 G.S. 105-269.6
13 G.S. 105-275.2

14 Section 72. The following sections of the General Statutes are amended by
15 deleting the phrase "Division V" each time it occurs and substituting the phrase "Part 5" :

16 G.S. 105-116(a)
17 G.S. 105-120(a)
18 G.S. 105-120.2(f)
19 G.S. 105-122(d)

20 Section 73. G.S. 105-7 reads as rewritten:

21 **"§ 105-7. Estate tax.**

22 (a) A tax in addition to the inheritance tax imposed by this ~~schedule is hereby~~
23 Article is imposed upon the transfer of the net estate of every decedent, whether a
24 resident or nonresident of the State, where the inheritance tax imposed by this ~~schedule~~
25 Article is less than the maximum state death tax credit allowed by the Federal Estate Tax
26 Act as contained in the Code because of ~~said tax herein imposed. the tax imposed by this~~
27 Article. In such a case, the inheritance tax ~~provided for by this schedule imposed by this~~
28 Article shall be increased by an estate tax on the net estate so that the aggregate amount
29 of tax due this State ~~shall be equals~~ the maximum amount of credit allowed under ~~said the~~
30 Federal Estate Tax Act. ~~Said~~ This additional tax shall be paid out of the same funds as
31 any other tax against the estate.

32 (b) ~~Where~~ If no tax is imposed by this ~~schedule Article~~ because of the exemptions
33 ~~herein~~ or otherwise, and a tax is due the United States under the Federal Estate Tax Act,
34 then a tax ~~shall be~~ is due this State equal to the maximum amount of the credit allowed
35 under ~~said the~~ Federal Estate Tax Act.

36 (c) The administrative provisions of this ~~schedule, Article,~~ wherever applicable,
37 shall apply to the collection of the tax imposed by this section. The amount of the tax as
38 imposed by subsection (a) of this section shall be computed in full accordance with the
39 Federal Estate Tax Act as contained in the Code."

40 Section 74. G.S. 105-8 reads as rewritten:

41 **"§ 105-8. Treatment allowed for gift tax paid.**

42 ~~In case a tax has been imposed under Schedule G of the Revenue Act of 1937, or under~~
43 subsequent acts, If a tax has been imposed under Article 6 of this Chapter upon any gift,

1 and thereafter upon the death of the donor, the amount ~~thereof~~ of the gift is required by
2 ~~any provision of this Article~~ to be included in the gross estate of the decedent, then there
3 shall be credited against and applied in reduction of the tax, which would otherwise be
4 chargeable against the beneficiaries of the estate under ~~the provisions of this Article~~, an
5 amount equal to the tax paid with respect to ~~such~~ the gift. Any additional tax found to be
6 due because of the inclusion of gifts in the gross estate of the ~~decedent, as provided herein,~~
7 decedent shall be a tax against the estate and shall be paid out of the same funds as any
8 other tax against the estate."

9 Section 75. The introductory language of G.S. 105-9 reads as rewritten:

10 **"§ 105-9. Deductions.**

11 In determining the clear market value of property taxed under this Article, ~~or schedule,~~
12 the following deductions, and no others, shall be allowed:"

13 Section 76. G.S. 105-114(a)(2) reads as rewritten:

14 "(2) Corporations not organized under the laws of this State for doing
15 business in this State and for the benefit and protection which ~~such~~
16 these corporations receive from the government and laws of this
17 State in doing business in this State.

18 If the corporation is organized under the laws of this State, the
19 payment of the taxes levied by this Article shall be a condition
20 precedent to the right to continue in ~~such~~ the corporate form of
21 organization; and if the corporation is not organized under the laws of
22 this State, payment of these taxes shall be a condition precedent to the
23 right to continue to engage in doing business in this State. The taxes
24 levied in this Article ~~or schedule shall be~~ are for the fiscal year of the
25 State in which the taxes become due; except that the taxes levied in G.S.
26 105-122 ~~shall be~~ are for the income year of the corporation in which the
27 taxes become due.

28 G.S. 105-122 does not apply to street transportation systems taxed
29 under G.S. 105-120.1 or holding companies taxed under G.S. 105-
30 120.2. G.S. 105-122 applies to a corporation taxed under another
31 section of this Article only to the extent the taxes levied on the
32 corporation in G.S. 105-122 exceed the taxes levied on the corporation
33 in other sections of this Article."

34 Section 77. G.S. 105-122(a) reads as rewritten:

35 "(a) Every corporation, domestic and foreign, incorporated, or, by an act,
36 domesticated under the laws of this State or doing business in this State, except as
37 otherwise provided in this ~~Article or schedule,~~ Article, shall, on or before the fifteenth day
38 of the third month following the end of its income year, ~~annually,~~ annually make and
39 deliver to the Secretary ~~of Revenue in such form as he may prescribe~~ in the form prescribed
40 by the Secretary a full, ~~accurate~~ accurate, and complete report and statement signed by
41 either its president, vice-president, treasurer, assistant treasurer, secretary or assistant
42 secretary, containing ~~such~~ the facts and information ~~as may be required by the Secretary of~~

1 Revenue as shown by the books and records of the corporation at the close of ~~such~~ the
2 income year.

3 There shall be annexed to the return required by this subsection the affirmation of the
4 officer signing the return in the following form: "Under penalties prescribed by law, I
5 hereby affirm that to the best of my knowledge and belief this return, including any
6 accompanying schedules and statements, is true and complete. If prepared by a person
7 other than taxpayer, ~~his~~ this affirmation is based on all information of which ~~he~~ the
8 preparer has any knowledge."

9 Section 78. G.S. 105-127(b) is repealed.

10 Section 79. G.S. 105-130.26 reads as rewritten:

11 **"§ 105-130.26. Credit against corporate income tax for conversion of industrial boiler**
12 **to wood fuel.**

13 ~~Any corporation which~~ A corporation that modifies or replaces an oil or gas-fired boiler
14 or kiln and the associated fuel and residue handling equipment used in the manufacturing
15 process of a manufacturing business located in this State with one ~~which~~ that is capable of
16 burning wood ~~shall be~~ is allowed as a credit against the tax imposed by this ~~Division, Part~~
17 an amount equal to fifteen percent (15%) of the installation and equipment cost of ~~such~~
18 ~~conversion; provided, that in order to secure~~ the conversion paid during the taxable year. In
19 order to claim the credit allowed by this section, the taxpayer must own or control the
20 business in which ~~such~~ the boiler or kiln is used at the time of ~~such~~ conversion and payment
21 ~~in part or in whole for such installation and equipment must be made by the taxpayer during the~~
22 ~~tax year for which the credit is claimed; and the amount of credit allowed for any one income~~
23 ~~year shall be limited to fifteen percent (15%) of such costs paid during the year; and the~~ the
24 conversion. The credit allowed by this section shall may not exceed the amount of the tax
25 imposed by this ~~Division, Part~~ for the taxable year reduced by the sum of all credits
26 ~~allowable under this Division, allowable,~~ except for payments of tax made by or on behalf
27 of the taxpayer. If a credit is granted under this section to a taxpayer engaged in the
28 business of poultry production and that credit exceeds the tax imposed under this
29 ~~Division, Part,~~ the excess may be carried forward and applied to the tax imposed under this
30 ~~Division~~ for the succeeding five years."

31 Section 80. G.S. 105-130.27(a) reads as rewritten:

32 "(a) Credit Allowed. ~~Any corporation which~~ A corporation that constructs in North
33 Carolina a distillery to make ethanol from agricultural or forestry products for qualified
34 uses ~~shall be~~ is allowed a credit against the tax imposed by this ~~Division, Part.~~ Subject to
35 the limitation provided in subsection (d) of this section, the amount of the credit shall be
36 equal to twenty percent (20%) of the installation and construction costs of the ~~distillery;~~
37 distillery paid during the year preceding the taxable year, and an additional ten percent
38 (10%) of those costs if the distillery is to be powered by use of an alternative fuel source.
39 No credit is allowed, however, for the costs of purchasing the land or site work, which
40 includes rock, paving, and excavation. In order to secure the credit allowed by this
41 section, the taxpayer must own or control the facility at the time of ~~construction, and~~
42 ~~payment for the installation and construction must be made by the taxpayer during the year~~
43 ~~preceding the year for which the credit is claimed. The amount of the credit allowed for any one~~

1 taxable year shall be limited to twenty percent (20%) of the installation and construction costs
2 paid during such year, or thirty percent (30%) if the distillery is to be powered by an alternative
3 fuel source. ~~construction.~~ Invoices or receipts shall be furnished to substantiate a claim or
4 a credit under this section if requested by the ~~Secretary of Revenue.~~ Secretary. The credit
5 allowed by this section ~~shall~~ may not exceed the amount of the tax imposed by this
6 ~~Division-Part~~ for the taxable year reduced by the sum of all credits ~~allowable under this~~
7 ~~Division,~~ allowable, except for payments of tax made by or on behalf of the taxpayer."

8 Section 81. G.S. 105-130.27A reads as rewritten:

9 **"§ 105-130.27A. Credit against corporate income tax for construction of a peat facility.**

10 (a) ~~Any corporation which~~ A corporation that constructs in North Carolina a facility
11 ~~which that~~ uses peat as the feedstock for the production of a commercially manufactured
12 energy source to replace petroleum, natural ~~gas or other gas,~~ or another nonrenewable
13 ~~energy sources shall be~~ source is allowed a credit against the tax imposed by this ~~Division~~
14 ~~Part~~ equal to twenty percent (20%) of the installation and equipment costs of ~~construction;~~
15 ~~provided, that the credit shall not be allowed~~ construction paid during the taxable year. No
16 credit is allowed, however, to the extent that any of the cost of the system was provided
17 by federal, State, or local grants. In order to secure the credit allowed by this section, the
18 taxpayer must own or control ~~such the~~ the facility at the time of ~~construction,~~ and the credit
19 ~~allowed by this section shall not exceed~~ construction. The credit allowed by this section
20 may not exceed the amount of the tax imposed by this ~~Division-Part~~ for the taxable year
21 reduced by the sum of all credits ~~allowable under this Division,~~ allowable, except for
22 payments of tax made by or on behalf of the taxpayer.

23 (b) The amount of unused credit allowed under this section may be carried over
24 for the next succeeding five years."

25 Section 82. G.S. 105-130.28(a) reads as rewritten:

26 "(a) Any corporation that constructs in North Carolina a facility for the production
27 of photovoltaic equipment is allowed a credit against the tax imposed by this ~~Division~~
28 ~~Part~~ equal to twenty-five percent (25%) of the installation and equipment costs of
29 ~~construction. This credit shall not be allowed~~ construction paid during the taxable year. No
30 credit is allowed, however, to the extent that any of the costs of the equipment were
31 provided by federal, State, or local grants. To secure the credit allowed by this section,
32 the taxpayer must own or control the facility at the time of construction. The credit
33 allowed by this section may not exceed the amount of the tax imposed by this ~~Division~~
34 ~~Part~~ for the taxable year reduced by the sum of all credits ~~allowable under this Division,~~
35 allowable, except payments of tax made by or on behalf of the taxpayer."

36 Section 83. G.S. 105-130.29 reads as rewritten:

37 **"§ 105-130.29. Credit against corporate income tax for construction of an olivine brick**
38 **facility.**

39 (a) Any corporation that constructs in North Carolina a facility for the production
40 of olivine bricks for thermal storage ~~shall be~~ is allowed a credit against the tax imposed by
41 this ~~Division-Part~~ equal to twenty percent (20%) of the installation and equipment costs of
42 ~~construction. This credit shall not be allowed~~ construction paid during the taxable year. No
43 credit is allowed, however, to the extent that any of the costs of the system were provided

1 by federal, State, or local grants. To secure the credit allowed by this section, the
2 taxpayer must own or control the facility at the time of construction. The credit allowed
3 by this section may not exceed the amount of the tax imposed by this ~~Division-Part~~ for the
4 taxable year reduced by the sum of all credits ~~allowable under this Division,~~ allowable,
5 except payments of tax made by or on behalf of the taxpayer.

6 (b) The amount of credit allowed under this section may be carried over for the
7 next succeeding five years."

8 Section 84. G.S. 105-130.30 reads as rewritten:

9 **"§ 105-130.30. Credit ~~against corporate income tax~~ for construction of a methane gas**
10 **facility.**

11 (a) Any corporation that constructs in North Carolina a facility for the production
12 of methane gas from renewable biomass resources ~~shall be~~ is allowed a credit against the
13 tax imposed by this ~~Division-Part~~ equal to ten percent (10%) of the installation and
14 equipment costs of ~~construction.~~ construction paid during the taxable year. The credit
15 allowed under this section may not exceed two thousand five hundred dollars (\$2,500) for
16 any single installation. ~~This credit shall not be allowed.~~ No credit is allowed, however, to the
17 extent that any of the costs of the system were provided by federal, State, or local grants.
18 To secure the credit allowed by this section, the taxpayer must own or control the facility
19 at the time of construction. The credit allowed by this section may not exceed the amount
20 of the tax imposed by this ~~Division-Part~~ for the taxable year reduced by the sum of all
21 credits ~~allowable under this Division,~~ allowable, except payments of tax made by or on
22 behalf of the taxpayer.

23 (b) As used in this section, "renewable biomass resources" means organic matter
24 produced by terrestrial and aquatic plants and animals such as standing vegetation,
25 aquatic crops, forestry and agricultural ~~residues~~ residues, and animal wastes that can be
26 used for the production of energy."

27 Section 85. G.S. 105-130.31 reads as rewritten:

28 **"§ 105-130.31. Credit ~~against corporate income tax~~ for installation of a wind energy**
29 **device.**

30 (a) Any corporation that constructs or installs a wind energy device for the
31 production of electricity at a site located in this State ~~shall be~~ is allowed a credit against
32 the tax imposed by this ~~Division-Part~~ equal to ten percent (10%) of the installation and
33 equipment costs of the wind energy ~~device.~~ device paid during the taxable year. The
34 credit allowed under this section may not exceed one thousand dollars (\$1,000) for any
35 single installation. ~~This credit shall not be allowed.~~ No credit is allowed, however, to the
36 extent that any of the costs of the system were provided by federal, State, or local grants.
37 To secure the credit allowed by this section, the taxpayer must own or control the site at
38 the time the wind energy device is installed. The credit allowed by this section may not
39 exceed the amount of the tax imposed by this ~~Division-Part~~ for the taxable year reduced
40 by the sum of all credits ~~allowable under this Division,~~ allowable, except payments of tax
41 made by or on behalf of the taxpayer.

1 (b) As used in this section, "wind energy device" means equipment (and parts
2 solely related to the functioning of the equipment) that, when installed on a site, transmits
3 or uses wind energy to generate electricity."

4 Section 86. G.S. 105-130.32 reads as rewritten:

5 **"§ 105-130.32. Credit ~~against corporate income tax~~ for installation of solar energy
6 equipment for the production of heat or electricity in certain processes.**

7 (a) Any corporation that constructs or installs solar energy equipment for the
8 production of heat or electricity in the manufacturing or service processes of its business
9 located in this State is allowed a credit against the tax imposed by this ~~Division-Part~~ equal
10 to thirty-five percent (35%) of the installation and equipment costs of the solar energy
11 ~~equipment. equipment paid during the taxable year.~~ The credit allowed under this section
12 may not exceed twenty-five thousand dollars (\$25,000) for any single installation. ~~This~~
13 ~~credit shall not be allowed.~~ No credit is allowed, however, to the extent that any of the costs
14 of the equipment were provided by federal, State, or local grants. To secure the credit
15 allowed by this section, the taxpayer must own or control the business at the time the
16 solar energy equipment is installed. The credit allowed by this section may not exceed the
17 amount of the tax imposed by this ~~Division-Part~~ for the taxable year reduced by the sum
18 of all credits ~~allowable under this Division,~~ allowable, except payments of tax made by or
19 on behalf of the taxpayer.

20 (b) As used in this section, "solar energy equipment" means equipment and
21 materials designed to collect, store, transport, or control energy derived directly from the
22 sun."

23 Section 87. G.S. 105-130.33(a) reads as rewritten:

24 "(a) Any corporation that constructs or installs a hydroelectric generator with a
25 capacity of at least three kilowatts (3KW) at an existing dam or free flowing stream
26 located in this State shall be allowed a credit against the tax imposed by this ~~Division-Part~~
27 equal to ten percent (10%) of the installation and equipment costs of the hydroelectric
28 ~~generator. paid during the taxable year.~~ The credit allowed under this section may not
29 exceed five thousand dollars (\$5,000) for any single installation. ~~This credit shall not be~~
30 ~~allowed.~~ No credit is allowed, however, to the extent that any of the costs of the system
31 were provided by federal, State, or local grants. To secure the credit allowed by this
32 section, the taxpayer must own or control the site at the time the hydroelectric generator
33 is installed. The credit allowed by this section may not exceed the amount of the tax
34 imposed by this ~~Division-Part~~ for the taxable year reduced by the sum of all credits
35 allowable under this ~~Division,~~ Part, except payments of tax made by or on behalf of the
36 taxpayer."

37 Section 88. G.S. 105-130.36(a) reads as rewritten:

38 "(a) Any corporation that purchases conservation tillage equipment for use in a
39 farming business, including tree farming, shall be allowed a credit against the tax
40 imposed by this ~~Division-Part~~ equal to twenty-five percent (25%) of the cost of the
41 ~~equipment. equipment paid during the taxable year.~~ This credit may not exceed two
42 thousand five hundred dollars (\$2,500) for any ~~income-taxable~~ year for any taxpayer. The
43 credit may ~~only~~ be claimed only by the first purchaser of the equipment and may not be

1 claimed by a corporation that purchases the equipment for resale or for use outside this
2 State. This credit may not exceed the amount of tax imposed by this ~~Division-Part~~ for the
3 taxable year reduced by the sum of all credits ~~allowable under this Division,~~ allowable,
4 except tax payments made by or on behalf of the taxpayer. If the credit allowed by this
5 section exceeds the tax imposed under this ~~Division, Part,~~ the excess may be carried
6 forward ~~and applied to the tax imposed under this Division~~ for the succeeding five years. The
7 basis in any equipment for which a credit is allowed under this section shall be reduced
8 by the amount of credit allowable."

9 Section 89. G.S. 105-130.37(a) reads as rewritten:

10 "(a) Any corporation that grows a crop and permits the gleaning of the crop during
11 the taxable year is ~~shall be~~ allowed a credit against the tax imposed by this ~~Division-Part~~
12 equal to ten percent (10%) of the market price of the quantity of the gleaned crop. This
13 credit may not exceed the amount of tax imposed by this ~~Division-Part~~ for the taxable year
14 reduced by the sum of all credits ~~allowable under this Division,~~ allowable, except tax
15 payments made by or on behalf of the taxpayer. No deduction is allowed under G.S. 105-
16 130.5(b)(5) for the items for which a credit is claimed under this section. Any unused
17 portion of the credit may be carried forward for the succeeding five years."

18 Section 90. G.S. 105-130.39 reads as rewritten:

19 "**§ 105-130.39. Credit for certain telephone subscriber line charges.**

20 (a) A corporation that provides local telephone service to low-income residential
21 consumers at reduced rates pursuant to an order of the North Carolina Utilities
22 Commission is allowed a credit against the tax imposed by this ~~Division-Part~~ equal to the
23 difference ~~between:~~ between the following:

24 (1) The amount of receipts the corporation would have received
25 during the taxable year from those low-income customers had the
26 customers been charged the regular rates for local telephone service
27 and ~~fees;~~ and fees.

28 (2) The amount billed those low-income customers for local
29 telephone service during the taxable year.

30 (b) This credit is allowed only for a reduction in local telephone service rates and
31 fees and is not allowed for any reduction in interstate subscriber line charges. This credit
32 may not exceed the amount of tax imposed by this ~~Division-Part~~ for the taxable year
33 reduced by the sum of all credits ~~allowed under this Division,~~ allowable, except tax
34 payments made by or on behalf of the corporation."

35 Section 91. G.S. 105-134.7(a)(7) reads as rewritten:

36 "(7) The transitional adjustments provided in ~~Division I-S-Part 1A~~ of this
37 Article shall be made with respect to a shareholder's pro rata share of
38 S Corporation income."

39 Section 92. G.S. 105-151 reads as rewritten:

40 "**§ 105-151. Tax credits for income taxes paid to other states by individuals.**

41 (a) An individual who is a resident of this State is allowed a credit against the
42 taxes imposed by this ~~Division-Part~~ for income taxes imposed by and paid to another state
43 or country on income taxed under this ~~Division, Part,~~ subject to the following conditions:

- 1 (1) The credit ~~shall be~~ is allowed only for taxes paid to another state or
2 country on income derived from sources within that state or country
3 that is taxed under its laws irrespective of the residence or domicile
4 of the ~~recipient; provided, recipient,~~ except that whenever a taxpayer
5 who is deemed to be a resident of this State under the provisions of
6 this ~~Division-Part~~ is deemed also to be a resident of another state or
7 country under the laws of that state or country, the Secretary ~~may, in~~
8 ~~his discretion,~~ may allow a credit against the taxes imposed by this
9 ~~Division-Part~~ for taxes imposed by and paid to the other state or
10 country on income taxed under this ~~Division-Part~~.
11 (2) The fraction of the gross income, as calculated under the Code and
12 adjusted as provided in G.S. 105-134.6 and G.S. 105-134.7, that is
13 subject to income tax in another state or country shall be ascertained,
14 and the North Carolina net income tax before credit under this
15 section shall be multiplied by that fraction. The credit allowed ~~shall~~
16 ~~be~~ is either the product thus calculated or the income tax actually
17 paid the other state or country, whichever is smaller.
18 (3) Receipts showing the payment of income taxes to another state or
19 country and a true copy of a return or returns upon the basis of
20 which the taxes are assessed shall be filed with the Secretary ~~at, or~~
21 ~~prior to, the time when the~~ credit is claimed. If credit is claimed on
22 account of a deficiency assessment, a true copy of the notice
23 assessing or proposing to assess the deficiency, as well as a receipt
24 showing the payment of the deficiency, shall be filed.

25 (b) If any taxes paid to another state or country for which a taxpayer has been
26 allowed a credit under this section are at any time credited or refunded to the taxpayer, a
27 tax equal to that portion of the credit allowed for the taxes so credited or refunded ~~shall be~~
28 is due and payable from the taxpayer and ~~shall be~~ is subject to the penalties and interest
29 provided in Subchapter I of this Chapter."

30 Section 93. G.S 105-151.5 reads as rewritten:

31 "**§ 105-151.5. Credit for conversion of industrial boiler to wood fuel.**

32 A ~~person~~ taxpayer who modifies or replaces an oil or gas-fired boiler or kiln and the
33 associated fuel and residue handling equipment used in the manufacturing process of a
34 manufacturing business located in this State with one that is capable of burning wood
35 ~~shall be~~ is allowed as a credit against the tax imposed by this ~~Division-Part~~ an amount
36 equal to fifteen percent (15%) of the installation and equipment cost of the ~~conversion;~~
37 ~~provided, that in order to secure conversion paid during the taxable year. In order to claim~~
38 the credit allowed by this section, the taxpayer must own or control the business in which
39 the boiler or kiln is used at the time of the ~~conversion and payment in part or in whole for the~~
40 ~~installation and equipment must be made by the taxpayer during the taxable year for which the~~
41 ~~credit is claimed. The amount of credit allowed for any one taxable year may not exceed fifteen~~
42 ~~percent (15%) of the costs paid during the year.~~ conversion. The credit allowed by this
43 section may not exceed the amount of the tax imposed by this ~~Division-Part~~ for the

1 taxable year reduced by the sum of all credits ~~allowable under this Division, allowable,~~
2 except for payments of tax made by or on behalf of the taxpayer. If a credit is granted
3 under this section to a taxpayer engaged in the business of poultry production and that
4 credit exceeds the tax imposed under this ~~Division, Part,~~ the excess may be carried
5 forward ~~and applied to the tax imposed under this Division~~ for the succeeding five years."

6 Section 94. G.S. 105-151.6(a) reads as rewritten:

7 "(a) Credit Allowed. – Any person who constructs in North Carolina a distillery to
8 make ethanol from agricultural or forestry products for qualified uses ~~shall be~~ is allowed a
9 credit against the tax imposed by this ~~Division, Part.~~ Subject to the limitation provided in
10 subsection (d) of this section, the amount of the credit ~~shall be equal to~~ is twenty percent
11 (20%) of the installation and construction costs of the ~~distillery,~~ distillery paid during the
12 year preceding the taxable year, and an additional ten percent (10%) of those costs if the
13 distillery is to be powered by use of an alternative fuel source. No credit is allowed,
14 however, for the costs of purchasing the land or site work, which includes rock, paving,
15 and excavation. In order to secure the credit allowed by this section, the taxpayer must
16 own or control the facility at the time of ~~construction,~~ and payment for the installation and
17 ~~construction must be made by the taxpayer during the year preceding the year for which the~~
18 ~~credit is claimed. The amount of the credit allowed for any one taxable year shall be limited to~~
19 ~~twenty percent (20%) of the installation and construction costs paid during such year, or thirty~~
20 ~~percent (30%) if the distillery is to be powered by an alternative fuel source.~~ construction.
21 Invoices or receipts shall be furnished to substantiate a claim or a credit under this section
22 if requested by the ~~Secretary of Revenue.~~ Secretary. The credit allowed by this section ~~shall~~
23 may not exceed the amount of the tax imposed by this ~~Division, Part~~ for the taxable year
24 reduced by the sum of all credits ~~allowable under this Division, allowable,~~ except for
25 payments of tax made by or on behalf of the taxpayer."

26 Section 95. G.S. 105-151.7(a) reads as rewritten:

27 "(a) A person who constructs or installs a hydroelectric generator with a capacity of
28 at least three kilowatts (3KW) at an existing dam or free flowing stream located in this
29 State ~~shall be~~ is allowed as a credit against the tax imposed by this ~~Division, Part~~ an
30 amount equal to ten percent (10%) of the installation and equipment costs of the
31 hydroelectric ~~generator.~~ generator paid during the taxable year. The credit allowed under
32 this section may not exceed five thousand dollars (\$5,000) for any single installation. ~~This~~
33 ~~credit shall not be allowed.~~ No credit is allowed, however, to the extent that any of the costs
34 of the system were provided by federal, State, or local grants. To secure the credit
35 allowed by this section, the taxpayer must own or control the site at the time the
36 hydroelectric generator is installed. The credit allowed by this section may not exceed the
37 amount of the tax imposed by this ~~Division, Part~~ for the taxable year reduced by the sum
38 of all credits ~~allowable under this Division, allowable,~~ except payments of tax made by or
39 on behalf of the taxpayer."

40 Section 96. G.S. 105-151.8(a) reads as rewritten:

41 "(a) A person who constructs or installs solar energy equipment for the production
42 of heat or electricity in the manufacturing or service processes of the person's business
43 located in this State is allowed a credit against the tax imposed by this ~~Division, Part~~ equal

1 to thirty-five percent (35%) of the installation and equipment costs of the solar energy
2 ~~equipment.~~ ~~equipment paid during the taxable year.~~ The credit allowed under this section
3 may not exceed twenty-five thousand dollars (\$25,000) for any single installation. ~~This~~
4 ~~credit shall not be allowed.~~ No credit is allowed, however, to the extent that any of the costs
5 of the equipment were provided by federal, State, or local grants. To secure the credit
6 allowed by this section, the taxpayer must own or control the business at the time the
7 solar energy equipment is installed. The credit allowed by this section may not exceed the
8 amount of tax imposed by this ~~Division~~ Part for the taxable year reduced by the sum of all
9 credits ~~allowable under this Division,~~ allowable, except payments of tax made by or on
10 behalf of the taxpayer. In no case ~~shall a tax credit be~~ is a credit allowed under both this
11 section and G.S. 105-151.2."

12 Section 97. G.S. 105-151.9(a) reads as rewritten:

13 "(a) A person who constructs or installs a wind energy device for the production of
14 electricity at a site located in this State ~~shall be~~ is allowed as a credit against the tax
15 imposed by this ~~Division~~ Part an amount equal to ten percent (10%) of the installation and
16 equipment costs of the wind energy ~~device.~~ device paid during the taxable year. The credit
17 allowed under this section may not exceed one thousand dollars (\$1,000) for any single
18 installation. ~~This credit shall not be allowed.~~ No credit is allowed, however, to the extent
19 that any of the costs of the system were provided by federal, State, or local grants. To
20 secure the credit allowed by this section, the taxpayer must own or control the site at the
21 time the wind energy device is installed. The credit allowed by this section may not
22 exceed the amount of the tax imposed by this ~~Division~~ Part for the taxable year reduced
23 by the sum of all credits ~~allowable under this Division,~~ allowable, except payments of tax
24 made by or on behalf of the taxpayer."

25 Section 98. G.S. 105-151.10(a) reads as rewritten:

26 "(a) A ~~person~~ taxpayer who constructs in North Carolina a facility for the
27 production of methane gas from renewable biomass resources shall be allowed as a credit
28 against the tax imposed by this ~~Division~~ Part an amount equal to ten percent (10%) of the
29 installation and equipment costs of ~~construction.~~ construction paid during the taxable year.
30 The credit allowed under this section may not exceed two thousand five hundred dollars
31 (\$2,500) for any single installation. ~~This credit shall not be allowed.~~ No credit is allowed,
32 however, to the extent that any of the costs of the system were provided by federal, State,
33 or local grants. To secure the credit allowed by this section, the taxpayer must own or
34 control the facility at the time of construction. The credit allowed by this section may not
35 exceed the amount of the tax imposed by this ~~Division~~ Part for the taxable year reduced
36 by the sum of all credits ~~allowable under this Division,~~ allowable, except payments of tax
37 made by or on behalf of the taxpayer."

38 Section 99. G.S. 105-151.11(c) reads as rewritten:

39 "(c) Limitations. – No credit shall be allowed under this section for
40 amounts deducted from gross income in calculating taxable income under the Code. The
41 credit allowed by this section may not exceed the amount of tax imposed by this ~~Division~~
42 Part for the taxable year reduced by the sum of all credits ~~allowable under this Division,~~
43 allowable, except for payments of tax made by or on behalf of the taxpayer. No credit

1 shall be allowed under this section with respect to employment-related expenses paid by
2 a nonresident of this State."

3 Section 100. G.S. 105-151.13(a) reads as rewritten:

4 "(a) A ~~person-taxpayer~~ who purchases conservation tillage equipment for use in a
5 farming business, including tree farming, shall be allowed as a credit against the tax
6 imposed by this ~~Division-Part~~ an amount equal to twenty-five percent (25%) of the cost of
7 the ~~equipment~~. equipment paid during the taxable year. This credit may not exceed two
8 thousand five hundred dollars (\$2,500) for any taxable year. The credit may be claimed
9 only by the first purchaser of the equipment and may not be claimed by a person who
10 purchases the equipment for resale or for use outside this State. This credit may not
11 exceed the amount of tax imposed by this ~~Division-Part~~ for the taxable year reduced by
12 the sum of all credits ~~allowable under this Division,~~ allowable, except tax payments made
13 by or on behalf of the taxpayer. If the credit allowed by this section exceeds the tax
14 imposed under this ~~Division-Part,~~ the excess may be carried forward ~~and applied to the tax~~
15 ~~imposed under this Division~~ for the next succeeding five years. The basis in any equipment
16 for which a credit is allowed under this section shall be reduced by the amount of the
17 credit allowable."

18 Section 101. G.S. 105-151.14(a) reads as rewritten:

19 "(a) A ~~person-taxpayer~~ who grows a crop and permits the gleaning of the crop
20 during the taxable year shall be allowed as a credit against the tax imposed by this
21 ~~Division-Part~~ an amount equal to ten percent (10%) of the market price of the quantity of
22 the gleaned crop. This credit may not exceed the amount of tax imposed by this ~~Division~~
23 ~~Part~~ for the taxable year reduced by the sum of all credits ~~allowable under this Division,~~
24 allowable, except tax payments made by or on behalf of the taxpayer. In order to claim
25 the credit allowed under this section, the taxpayer must add the market price of the
26 gleaned crop to taxable income as provided in G.S. 105-134.6(c). Any unused portion of
27 the credit may be carried forward for the next succeeding five years."

28 Section 102. G.S. 105-151.18(d) reads as rewritten:

29 "(d) Limitations. – A nonresident or part-year resident who claims the credit
30 allowed by this section shall reduce the amount of the credit by multiplying it by the
31 fraction calculated under G.S. 105-134.5(b) or (c), as appropriate. The credit allowed
32 under this section may not exceed the amount of tax imposed by this ~~Division-Part~~ for the
33 taxable year reduced by the sum of all credits ~~allowed under this Division,~~ allowable,
34 except payments of tax made by or on behalf of the taxpayer."

35 Section 103. G.S. 105-151.21(a) reads as rewritten:

36 "(a) Credit. – An individual engaged in the business of farming is allowed a credit
37 against the tax imposed by this ~~Division-Part~~ equal to the amount of property taxes the
38 individual paid at par during the taxable year on farm machinery and on attachments and
39 repair parts for farm machinery. In addition, an individual shareholder of an S
40 Corporation engaged in the business of farming is allowed a credit against the tax
41 imposed by this ~~Division-Part~~ equal to the shareholder's pro rata share of the amount of
42 property taxes the S Corporation paid at par during the taxable year on farm machinery
43 and on attachments and repair parts for farm machinery. The total credit allowed under

1 this section may not exceed one thousand dollars (\$1,000) for the taxable year and may
2 not exceed the amount of tax imposed by this ~~Division-Part~~ for the taxable year reduced
3 by the sum of all credits ~~allowed under this Division,~~ allowable, except payments of tax
4 made by or on behalf of the taxpayer. To claim the credit, the taxpayer shall attach to the
5 return a copy of the tax receipt for the property taxes for which credit is claimed. The
6 receipt must indicate that the taxes have been paid and the amount and date of the
7 payment."

8 Section 104. G.S. 105-152(e) reads as rewritten:

9 "(e) Joint Returns. – A husband and wife shall file a single income tax return jointly
10 if (i) their federal taxable income is determined on a joint federal return and (ii) both
11 spouses are residents of this State or both spouses have North Carolina taxable income.
12 Except as otherwise provided in this ~~Division, Part,~~ a wife and husband filing jointly are
13 treated as one taxpayer for the purpose of determining the tax imposed by this ~~Division-~~
14 Part. A husband and wife filing jointly are jointly and severally liable for the tax imposed
15 by this ~~Division-Part~~ reduced by the sum of all credits ~~allowable under this Division~~
16 allowable including tax payments made by or on behalf of the husband and wife.
17 However, if a spouse has been relieved of liability for federal tax attributable to a
18 substantial understatement by the other spouse pursuant to section 6013 of the Code, that
19 spouse is not liable for the corresponding tax imposed by this ~~Division-Part~~ attributable to
20 the same substantial understatement by the other spouse. A wife and husband filing
21 jointly have expressly agreed that if the amount of the payments made by them with
22 respect to the taxes for which they are liable, including withheld and estimated taxes,
23 exceeds the total of the taxes due, refund of the excess may be made payable to both
24 spouses jointly or, if either is deceased, to the survivor alone."

25 Section 105. G.S. 105-160.3(a) reads as rewritten:

26 "(a) Except as otherwise provided in this section, the credits allowed to an
27 individual against the tax imposed by ~~Division II-Part 2~~ of this Article shall be allowed to
28 the same extent to an estate or a trust against the tax imposed by this ~~Division-Part.~~ Any
29 credit computed as a percentage of income received shall be apportioned between the
30 estate or trust and the beneficiaries based on the distributions made during the taxable
31 year. No credit may exceed the amount of the tax imposed by this ~~Division-Part~~ for the
32 taxable year reduced by the sum of all credits ~~allowable under this Division,~~ allowable,
33 except for payments of tax made by or on behalf of the estate or trust."

34 Section 106. G.S. 105-164.3(22) reads as rewritten:

35 "(22) "Use tax" means ~~and includes~~ the tax imposed by Part 3 in ~~Division II-2~~
36 of this Article."

37 Section 107. G.S. 105-164.13(5) reads as rewritten:

38 "(5) Manufactured products produced and sold by manufacturers or
39 producers to other manufacturers, producers, or registered ~~wholesale~~
40 ~~or retail~~ retailers or wholesale merchants, for the purpose of resale
41 except as modified by ~~Division I, G.S. 105-164.3, subdivision (23).~~
42 ~~Provided, however, this exemption shall~~ G.S. 105-164.3(23). This

1 exemption does not extend to or include retail sales to users or
2 consumers not for resale."

3 Section 108. G.S. 105-164.26 reads as rewritten:

4 **"§ 105-164.26. Presumption that sales are taxable.**

5 For the purpose of the proper administration of ~~this division of~~ this Article and to
6 prevent evasion of the retail sales tax, it shall be presumed that all gross receipts of
7 wholesale merchants and retailers are subject to the retail sales tax until the contrary is
8 established by proper records as required ~~herein~~ in this Article. It shall be prima facie
9 presumed that tangible personal property sold by any person for delivery in this State,
10 however made, and by carrier or otherwise, is sold for storage, ~~use~~ use, or other
11 consumption in this State, and a like presumption shall apply to tangible personal
12 property delivered ~~without~~ outside this State and brought to this State by the ~~purchaser~~
13 thereof. purchaser. "

14 Section 109. G.S. 105-228.1 reads as rewritten:

15 **"§ 105-228.1. Defining taxes levied and assessed in this Article.**

16 The purpose of this Article is to levy a fair and equal tax under authority of ~~Article V,~~
17 ~~Sec. 3 of the Constitution of North Carolina~~ Section 2(2) of Article V of the North Carolina
18 Constitution and to provide a practical means for ascertaining and collecting it. The taxes
19 levied and assessed in this ~~schedule shall be upon the gross earnings~~ Article are on gross
20 earnings, as defined in the Article, and ~~shall be~~ are in lieu of ad valorem taxes upon the
21 properties of ~~individuals, firms, or corporations so taxed herein~~ persons taxed in this
22 Article."

23 Section 110. G.S. 105-266(c) reads as rewritten:

24 "(c) Statute of Limitations. – The period in which a refund must be demanded or
25 discovered under this section is determined as follows:

- 26 (1) General Rule. – No overpayment shall be refunded, whether upon
27 discovery or receipt of written demand, if the discovery is not made
28 or the demand is not received within three years after the date set by
29 the statute for the filing of the return or within six months after the
30 payment of the tax alleged to be an overpayment, whichever is later.
- 31 (2) Worthless Debts or Securities. – Section 6511(d)(1) of the Code
32 applies to an overpayment of the tax levied in ~~Division II or III~~ Part 2
33 or 3 of Article 4 of this Chapter to the extent the overpayment is
34 attributable to either of the following:
- 35 a. The deductibility by the taxpayer under section 166 of the Code
36 of a debt that becomes worthless, or under section 165(g) of the
37 Code of a loss from a security that becomes worthless.
- 38 b. The effect of the deductibility of a debt or loss described in
39 subpart a. of this subdivision on the application of a carryover to
40 the taxpayer.
- 41 (3) Capital Loss and Net Operating Loss Carrybacks. – Section
42 6511(d)(2) of the Code applies to an overpayment of the tax levied
43 in ~~Division II or III~~ Part 2 or 3 of Article 4 of this Chapter to the

1 extent the overpayment is attributable to a capital loss carryback
2 under section 1212(c) of the Code or to a net operating loss
3 carryback under section 172 of the Code.

- 4 (4) Federal Determination. – When a taxpayer files with the Secretary a
5 return that reflects a federal determination and the return is filed
6 within the required time, the period in which a refund must be
7 demanded or discovered is one year after the return reflecting the
8 federal determination is filed or three years after the original return
9 was filed or due to be filed, whichever is later."

10 Section 111. G.S. 105-309(d) reads as rewritten:

11 "(d) Personal property shall be listed to indicate the township and municipality, if
12 any, in which it is taxable and shall be itemized by the taxpayer in such detail as may be
13 prescribed by an abstract form approved by the Department of Revenue. Personal
14 property shall also be listed to indicate which property, if any, is subject to a tax credit
15 under ~~Division IV of Article 4 of this Chapter.~~ G.S. 105-151.21.

- 16 (1) If the assessor considers it necessary to obtain a complete listing of
17 personal property, ~~he the assessor~~ may require a taxpayer to submit
18 additional information, inventories, or itemized lists of personal
19 property.

- 20 (2) At the request of the assessor, the taxpayer shall furnish any
21 information ~~he may have the taxpayer has~~ with respect to the true
22 value of the personal property ~~he the taxpayer~~ is required to list."

23 Section 112. G.S. 105-366(b)(5) reads as rewritten:

- 24 "(5) The stock of goods or fixtures of a wholesale ~~or retail merchant (as~~
25 ~~defined in Schedule E of the Revenue Act)~~ merchant or retailer, as
26 defined in G.S. 105-164.3, in the hands of a purchaser or transferee
27 thereof, or any other personal property of the purchaser or transferee
28 of ~~such the~~ property, if the taxes on the goods or fixtures remain
29 unpaid 30 days after the date of the sale or ~~transfer, but in such a case~~
30 ~~the transfer.~~ In the case of other personal property of the purchaser
31 or transferee, the levy or attachment must be made within six months
32 of the sale or transfer."

33 Section 113. G.S. 105-366(d) reads as rewritten:

34 "(d) Remedies against Sellers and Purchasers of Stocks of Goods or Fixtures of
35 ~~Wholesale or Retail Merchants.~~ Merchants or Retailers. –

36 (1) Any wholesale ~~or retail merchant (as defined in Schedule E of the~~
37 ~~Revenue Act)~~ merchant or retailer, as defined in G.S. 105-164.3, who
38 sells or transfers the major part of ~~his~~ its stock of goods, materials,
39 supplies, or fixtures, other than in the ordinary course of ~~business or~~
40 ~~who goes out of business, shall:~~ business, or who goes out of business,
41 must take the following actions:

- 42 a. At least 48 hours prior to the date of the pending sale,
43 transfer, or termination of business, give notice ~~thereof~~ to the

1 assessors and tax collectors of the taxing units in which ~~his~~ the
2 business is ~~located, and located.~~

3 b. Within 30 days of the sale, transfer, or termination of
4 business, pay all taxes due or to become due on the transferred
5 property on the first day of September of the current calendar
6 year.

7 (2) Any person to whom the major part of the stock of goods,
8 materials, supplies, or fixtures of a wholesale ~~or retail merchant (as~~
9 ~~defined in Schedule E of the Revenue Act)~~ merchant or retailer is sold
10 or transferred, other than in the ordinary course of business, or who
11 becomes the successor in business of a wholesale ~~or retail merchant~~
12 merchant or retailer shall withhold from the purchase money paid to
13 the merchant an amount sufficient to pay the taxes due or to become
14 due on the transferred property on the first day of September of the
15 current calendar year until the former owner or seller produces either
16 a receipt from the tax collector showing that the taxes have been
17 paid or a certificate that no taxes are due. If the purchaser or
18 successor in business fails to withhold a sufficient amount of the
19 purchase money to pay the taxes as required by this subsection ~~(d)~~
20 and the taxes remain unpaid after the 30-day period allowed, ~~he shall~~
21 ~~be the purchaser or successor is~~ personally liable for the amount of
22 the taxes ~~unpaid, and his unpaid.~~ This liability may be enforced by
23 means of a civil action brought in the name of the taxing unit against
24 ~~him the purchaser or successor~~ in an appropriate trial division of the
25 General Court of Justice in the county in which the taxing unit is
26 located.

27 (3) Whenever any wholesale ~~or retail merchant (as defined in~~
28 ~~Schedule E of the Revenue Act)~~ merchant or retailer sells or transfers
29 the major part of ~~his~~ its stock of goods, materials, supplies, or
30 fixtures, other than in the ordinary course of business, or goes out of
31 ~~business, business~~ and the taxes due or to become due on the
32 transferred property on the first day of September of the current
33 calendar year are unpaid, the tax collector, to enforce collection of
34 the unpaid taxes, ~~may~~ may do any of the following:

35 a. Levy on or attach any personal property of the ~~seller, or~~
36 seller.

37 b. If the taxes remain unpaid 30 days after the date of the
38 transfer or termination of business, levy on or attach any of the
39 property transferred in the hands of the transferee or successor
40 in business, or any other personal property of the transferee or
41 successor in business, but in either case the levy or attachment
42 must be made within six months of the transfer or termination
43 of business.

1 (4) In using the remedies provided in this ~~subsection (d),~~
2 subsection, the amount of taxes not yet determined shall be
3 computed in accordance with G.S. 105-359, and any applicable
4 discount shall be allowed."
5

6 **PART III. EFFECTIVE DATE.**

7 Section 114. Except as otherwise provided in this act, this act is effective
8 when it becomes law.