

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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HOUSE BILL 1231

Short Title: Amend Apportionment Formula.

(Public)

Sponsors: Representative Hensley.

Referred to: Finance.

April 12, 2001

A BILL TO BE ENTITLED

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2 AN ACT TO AMEND THE FORMULA USED TO APPORTION THE INCOME OF
3 MULTISTATE CORPORATIONS TO THIS STATE BY ELIMINATING THE
4 DOUBLE-WEIGHTED SALES FACTOR.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-130.4(i) reads as rewritten:

7 "(i) All business income of corporations other than public utilities and excluded
8 corporations shall be apportioned to this State by multiplying the income by a fraction,
9 the numerator of which is the property factor plus the payroll factor plus ~~twice~~ the sales
10 factor, and the denominator of which is ~~four~~ three. ~~Provided, that where the sales factor~~
11 ~~does not exist, the denominator of the fraction shall be the number of existing factors~~
12 ~~and where the sales factor exists but the payroll factor or the property factor does not~~
13 ~~exist, the denominator of the fraction shall be the number of existing factors plus one.~~
14 one or more of these factors do not exist, the denominator of the fraction shall be the
15 number of existing factors."

16 **SECTION 2.** This act becomes effective for taxable years beginning on or
17 after January 1, 2001.