

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 821

Short Title: Require Certain Installment Payment Agmts. (Public)

Sponsors: Representative Alexander.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Finance, if favorable, Rules, Calendar, and Operations of the House

April 18, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE THE ALLOWANCE OF CERTAIN BUSINESS INSTALLMENT  
3 PAYMENT AGREEMENTS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-237 reads as rewritten:

6 "§ 105-237. Waiver; installment payments.

7 (a) Waiver. – The Secretary may, upon making a record of the reasons therefor, do the  
8 following:

- 9 (1) Reduce or waive any penalties provided for in this Subchapter.  
10 (2) Reduce or waive any interest provided for in this Subchapter on taxes imposed  
11 prior to or during a period for which a taxpayer has declared bankruptcy under  
12 Chapter 7 or Chapter 13 of Title 11 of the United States Code.

13 (b) Installment Payments. – After a proposed assessment of a tax becomes final, the  
14 Secretary may enter into an agreement with the taxpayer for payment of the tax in installments  
15 if the Secretary determines that the agreement will facilitate collection of the tax. The agreement  
16 may include a waiver of penalties but may not include a waiver of liability for tax or interest due.  
17 For a taxpayer other than an individual, the agreement must provide at least the following  
18 minimum time periods for repayment based upon the amount owed:

| <u>Repayment amount</u>       | <u>Period for repayment</u> |
|-------------------------------|-----------------------------|
| <u>\$7,000 – \$14,999.99</u>  | <u>18 months</u>            |
| <u>\$15,000 – \$29,999.99</u> | <u>25 months</u>            |
| <u>\$30,000 – \$49,999.99</u> | <u>40 months</u>            |
| <u>\$50,000 or more</u>       | <u>60 months</u>            |

24 The Secretary may modify or terminate the agreement if one or more of the following  
25 findings is made:

- 26 (1) Information provided by the taxpayer in support of the agreement was  
27 inaccurate or incomplete.  
28 (2) Collection of tax to which the agreement applies is in jeopardy.  
29 (3) The taxpayer's financial condition has changed.  
30 (4) The taxpayer has failed to pay an installment when due or to pay another tax  
31 when due.  
32 (5) The taxpayer has failed to provide information requested by the Secretary.

33 The Secretary must give a taxpayer who has entered into an installment agreement at least 30  
34 days' written notice before modifying or terminating the agreement on the grounds that the  
35 taxpayer's financial condition has changed unless the taxpayer failed to disclose or concealed



1 assets or income when the agreement was made or the taxpayer has acquired assets since the  
2 agreement was made that can satisfy all or part of the tax liability. A notice must specify the basis  
3 for the Secretary's finding of a change in the taxpayer's financial condition."  
4           **SECTION 2.** This act is effective when it becomes law and applies to installment  
5 payment agreements entered on or after that date.