

NORTH CAROLINA GENERAL ASSEMBLY
1967 SESSION

CHAPTER 286
HOUSE BILL 383

1 AN ACT TO AMEND ARTICLE 3 OF CHAPTER 105 OF THE GENERAL STATUTES TO
2 MAKE THE DUE DATE FOR CORPORATION FRANCHISE TAX RETURNS
3 COINCIDE WITH THE DUE DATE OF CORPORATION INCOME TAX RETURNS
4 AND TO MAKE CERTAIN OTHER CHANGES IN THE CORPORATION FRANCHISE
5 TAX LAWS.

6
7 The General Assembly of North Carolina do enact:
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9 **Section 1.** The Franchise Tax Article of the Revenue Act, being Article 3 of
10 Subchapter I of Chapter 105 of the North Carolina General Statutes is hereby amended by:

11 (a) Changing the period (.) at the end of the last paragraph of G.S. 105-114 to a
12 semicolon (;) and adding the following: "except, that the taxes levied in § 105-122 and 123
13 shall be for the income year of the corporation in which such taxes become due. For purposes
14 of this Article the words 'income year' shall mean an income year as defined in § 105-132."

15 (b) Deleting from lines 3 and 4 of subsection (a) of G.S. 105-122 the words and
16 punctuation "thirty-first day of July of each year," and inserting in lieu thereof the words and
17 punctuation "fifteenth day of the third month following the end of its income year, annually";
18 deleting from lines 9 and 10 of subsection (a) of G.S. 105-122 the words "its last calendar or
19 fiscal year next preceding July thirty-first of the year in which report is due" and inserting in
20 lieu thereof the words "such income year"; and by rewriting so much of the second paragraph
21 of subsection (a) of G.S. 105-122 as appears between the quotation marks to read as follows:
22 "Under penalties prescribed by law, I hereby affirm that to the best of my knowledge and belief
23 this return, including any accompanying schedules and statements, is true and complete."

24 (c) Deleting in its entirety the last paragraph of subsection (b) of G.S. 105-122.

25 (d) Deleting from lines 5 and 6 of subsection (d) of G.S. 105-122 the words "for
26 the year in which report is due" and inserting in lieu thereof the words "as herein specified";
27 deleting from line 20 of subsection (d) of G.S. 105-122 the words "year in" and inserting in lieu
28 thereof the words "calendar year next preceding the date on"; inserting immediately after the
29 sentence ending with the word "Section" on line 21 of subsection(d) of G.S. 105-122 the
30 following: "Assessed value of tangible property including real estate shall be the assessed ad
31 valorem valuation for the calendar year next preceding the due date of the franchise tax return.
32 Assessed value of intangible property, except for bank deposits subject to tax under the
33 provisions of § 105-199, shall be the total gross valuation required to be reported for intangible
34 tax purposes on April 15 coincident with or next preceding the due date of the franchise tax
35 return. Assessed value of bank deposits subject to tax under the provisions of § 105-199 shall
36 be the average balance determined under such Section for the calendar year next preceding the
37 due date of the franchise tax return."; and by rewriting the last paragraph of subsection (d) of
38 G.S. 105-122 to read as follows: "In determining the total tax payable by any corporation under
39 this Section there shall be allowed as credit on such tax the amount of intangible tax paid on
40 bank deposits under the provisions of § 105-199 to the extent that such deposits have been
41 concurrently included in the alternative assessed value tax base pursuant to the provisions of
42 this subsection except that the minimum tax herein provided shall not be less than ten dollars
43 (\$10.00). In determining the total tax payable by any corporation under § 105-115 there shall

1 be allowed as credit on such tax the amount of intangible tax paid during the preceding
2 franchise tax year on bank deposits under the provisions of § 105-199."

3 (e) Redesignating the present subsections (e) and (f) of G.S. 105-122 as
4 subsections (f) and (g), respectively, adding a new subsection (e) to read as follows: "(e) Any
5 corporation which changes its income year and files a 'short period' income tax return pursuant
6 to § 105-142 shall file a franchise tax return in accordance with the provisions of this Section in
7 the manner and as of the date specified in subsection (a) of this Section. Such corporation shall
8 be entitled to deduct from the total franchise tax computed (on an annual basis) on such return
9 the amount of franchise tax previously paid which is applicable to the period subsequent to the
10 beginning of the new income year."

11 (f) Adding a new subsection to G.S. 105-122 to be designated "(h)" and to read
12 as follows:

13 "(h) Any corporation whose franchise tax return is due July 15, 1968, or August 15,
14 1968, the following credit shall be allowed from the total net franchise tax computed on such
15 return. For any corporation whose franchise tax return is due July 15, 1968, the allowable credit
16 shall be an amount equal to two-twelfths of the total net franchise tax computed on such return.
17 For any corporation whose franchise tax return is due August 15, 1968, the allowable credit
18 shall be an amount equal to one-twelfth of the total net franchise tax computed on such return.

19 "Notwithstanding any other provisions of this Article, the taxes levied in § 105-122 and 123
20 for the State's fiscal year, July 1, 1967, through June 30, 1968, shall be for that period and also
21 for the period beginning on July 1, 1968, and ending on the last day of each corporation's then
22 current income year provided the income tax return for such current income year is due before
23 July 15, 1969."

24 (g) Deleting from lines 22 and 23 of subsection (a) of G.S. 105-123 the words
25 "to June thirtieth next following" and inserting in lieu thereof the words and sentence "through
26 the last day of the then current income year. In no case shall such period exceed 53 weeks.;"
27 and by rewriting the last paragraph of G.S. 105-123 to read as follows:

28 "In the case of a corporation newly organized or domesticated within the State which shall
29 acquire the entire assets within the State of a corporation previously operating therein which
30 shall have paid prior to the disposal of said assets the franchise tax for such period or any
31 portion thereof, the newly organized or domesticated corporation may deduct from the tax
32 payable under this Section so much of the tax previously paid as applies to such period."

33 **Sec. 2.** All laws and clauses of laws in conflict with this Act are hereby repealed.

34 **Sec. 3.** This Act shall become effective July 1, 1968.

35 In the General Assembly read three times and ratified, this the 4th day of May,
36 1967.