

NORTH CAROLINA GENERAL ASSEMBLY  
1973 SESSION

CHAPTER 843  
HOUSE BILL 608

AN ACT TO PERMIT REVOCATION OF INSTALLMENT BASIS ELECTION FOR  
INCOME TAX PURPOSES.

The General Assembly of North Carolina enacts:

**Section 1.** G.S. 105-142(f), as the same appears in the 1972 Replacement Volume 2D of the General Statutes, is hereby amended by:

- (a) adding a new subdivision (4), to read as follows:
  - "(4) An election under subdivision (1) to report taxable income on the installment basis may be revoked by filing a notice of revocation, in such manner as the Secretary of Revenue prescribes, at any time before the expiration of three years following the date of the filing of the tax return for the year of change. If such notice of revocation is timely filed:
    - a. the provisions of subdivision (1) shall not apply to the year of change or for any subsequent year;
    - b. the statutory period for the assessment of any deficiency for any taxable year ending before the filing of such notice, which is attributable to the revocation of the election to use the installment basis, shall not expire before the expiration of two years from the date of the filing of such notice, and such deficiency may be assessed before the expiration of such two-year period notwithstanding the provisions of any law or rule of law which would otherwise prevent such assessment; and
    - c. if refund or credit of any overpayment, resulting from the revocation of the election to use the installment basis, for any taxable year ending before the date of the filing of the notice of revocation is prevented on the date of such filing, or within one year from such date, by the operation of any law or rule of law, refund or credit of such overpayment may nevertheless be made or allowed if claim therefor is filed within one year from such date. No interest shall be allowed on the refund or credit of such overpayment for any period prior to the date of the filing of the notice of revocation.
  - "(5) If a taxpayer revokes under subdivision (4) of this subsection an election under subdivision (1) of this subsection to report taxable income on the installment basis, no election under subdivision (1) of this subsection may be made, except with the consent of the Commissioner of Revenue, for any subsequent taxable year before the fifth taxable year following the year with respect to which such revocation is made."

**Sec. 2.** This act shall be effective with respect to taxable years beginning on and after January 1, 1974.

In the General Assembly read three times and ratified, this the 8th day of February, 1974.