

GENERAL ASSEMBLY OF NORTH CAROLINA  
1991 SESSION

CHAPTER 179  
HOUSE BILL 582

AN ACT TO CLARIFY THAT SPIN-OFFS OF PROFESSIONAL CORPORATIONS  
ARE ALLOWED ONLY IF CARRIED OUT IN ACCORDANCE WITH  
FEDERAL LAW AS IT MAY BE AMENDED.

The General Assembly of North Carolina enacts:

Section 1. G.S. 55B-6(b) reads as rewritten:

"(b) A professional corporation formed pursuant to this Chapter may issue one hundred percent (100%) of its capital stock to another professional corporation in order for that corporation (the distributing corporation) to distribute the stock of the controlled corporation to one or more shareholders of the distributing corporation in accordance with section 355 of the Internal Revenue Code of ~~1986~~1986, as amended. The distributing corporation shall distribute the stock of the controlled corporation within 30 days after the stock was issued to the distributing corporation. A share of stock of the controlled corporation that has not been transferred to a licensee more than 30 days after it was issued to the distributing corporation is void."

Sec. 2. This act becomes effective October 1, 1991.

In the General Assembly read three times and ratified this the 30th day of May, 1991.

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James C. Gardner  
President of the Senate

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Daniel Blue, Jr.  
Speaker of the House of Representatives