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NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 1637

SHORT TITLE: Reduce Corporate Income Tax

SPONSOR(S): Senator Hartsell

FISCAL IMPACT: Expenditures: Increase () Decrease ()
Revenues: Increase () Decrease (X)
No Impact ()
No Estimate Available ()

FUND AFFECTED: General Fund (X) Highway Fund () Local Govt. ()
Other Funds ()

BILL SUMMARY: Lowers state corporate income tax rate from 7.75% of net taxable income to 7%.

EFFECTIVE DATE: Tax years beginning on or after January 1, 1994.

FISCAL IMPACT

\$Million

	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
REVENUES:					
GENERAL FUND	-105.6*	-77.4	-82.2	-87.3	-92.7

*Includes one-time negative loss of \$32.7 million due to taxpayers receiving a refund on estimated payments made in April and June for the 1994 tax year.

ASSUMPTIONS AND METHODOLOGY: The 1994-95 estimate was based on the revenue estimates used in the regular budget process. For future years the numbers grow by the same rate of growth for state personal income as that used in the GPAC Financial Model (6.3%).

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DATE: June 1, 1994



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