GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2005

H HOUSE DRH10209-LY-149 (3/7)

Short Title:	Deduction for S Corporation Income.	(Public)
Sponsors:	Representative Holloway.	
Referred to:		

- 2 AN ACT TO PROVIDE A SMALL BUSINESS INCOME TAX EXEMPTION.
- 3 The General Assembly of North Carolina enacts:
- **SECTION 1.** G.S. 105-131.1 is amended by adding a new subsection to 5 read:
- 6 "(a1) Before computing the income attributable to the State, an S Corporation may
 7 subtract from income the applicable exemption amount provided in the table below
 8 based on the corporation's income.

9	<u>Income</u>	Exemption Amount
10	\$100,000 or less	\$20,000
11	Over \$100,000 through \$200,000	<u>\$12,000</u>
12	Over \$200,000	0"

SECTION 2. This act is effective for taxable years beginning on or after January 1, 2005.