## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2009

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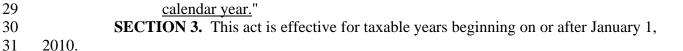
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SENATE BILL 1006 Short Title: Withholding on Contractors Identified by ITIN. (Public) Sponsors: Senator Hoyle. Referred to: Finance. March 26, 2009 A BILL TO BE ENTITLED AN ACT TO REQUIRE WITHHOLDING ON CONTRACTORS IDENTIFIED BY AN INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER (ITIN). The General Assembly of North Carolina enacts: **SECTION 1.** G.S. 105-163.1 is amended by adding a new subdivision to read: "§ 105-163.1. Definitions. The following definitions apply in this Article: ITIN holder. – An independent contractor whose taxpayer identification (6a) number is an Individual Taxpayer Identification Number (ITIN)." **SECTION 2.** Article 4A of Chapter 105 of the General Statutes is amended by adding a new section to read: "§ 105-163.3A. Withholding on ITIN holder. Requirement. – A payer who pays any amount to an ITIN holder must deduct and withhold from compensation paid to the ITIN holder the State income taxes payable by the ITIN holder on the compensation as provided in this section. The amount of taxes to be withheld is four percent (4%) of the compensation paid to the ITIN holder. The taxes a payer withholds are held in trust for the Secretary of Revenue. Returns; Due Date. - A payer shall file a return with the Secretary on a form prepared by the Secretary and shall provide any information required by the Secretary. The return is due and the withheld taxes are payable as provided in G.S. 105-163.6. Annual Statement; Report to Secretary. – A payer required to deduct and withhold from an ITIN holder's compensation under this section shall furnish to the ITIN holder and the Secretary duplicate copies of a written statement showing the following: The payer's name, address, and taxpayer identification number. (1)



The ITIN holder's name, address, and taxpayer identification number.

The total amount deducted and withheld under this section during the

The total amount of compensation paid during the calendar year.

