

NORTH CAROLINA GENERAL ASSEMBLY
1961 SESSION

CHAPTER 1148
SENATE BILL 396

1 AN ACT RELATING TO DEDUCTIONS OF CONTRIBUTIONS FOR INCOME TAX
2 PURPOSES.

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4 The General Assembly of North Carolina do enact:

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6 **Section 1.** Subdivision (18) of G.S. 105-147 is hereby rewritten to read as follows:

7 "(18) a. In the case of a nonresident individual, firm or partnership, the
8 deductions allowed in this Section (with the exception of deductions
9 allowed by Subdivisions (15) and (16) of this Section) shall be
10 allowed only if and to the extent that they are connected with income
11 arising from sources within the State; and the proper apportionment
12 and allocation of the deductions with respect to sources of income
13 within and without the State shall be determined under rules and
14 regulations prescribed by the Commissioner of Revenue.

15 "b. In the case of a nonresident individual, firm or partnership,
16 deductions as provided for and as limited by Subdivisions (15) and
17 (16) of this Section shall be allowed only if the donees shall have an
18 office in this State and be actively engaged in this State in
19 performing the functions for which the said donees were organized.

20 "c. Corporations allocating a part of their total net income outside North
21 Carolina under the provisions of G.S. 105-134 may deduct from net
22 income allocable to North Carolina contributions made to North
23 Carolina donees qualified under Subdivisions (15) and (16) of this
24 Section or made through North Carolina offices or branches of other
25 donees qualified under the above-mentioned Subdivisions of this
26 Section; provided, such deductions for contributions made to donees
27 qualified under Subdivision (15) of this Section shall be limited in
28 amount to five percent (5%) of the total income allocated to North
29 Carolina as computed without the benefit of the deduction for
30 contributions; and, provided further, that such contributions have not
31 been included in the deduction as provided under Subdivisions (15)
32 and (16) of this Section in arriving at the corporation's total net
33 income subject to apportionment."

34 **Sec. 2.** All laws and clauses of laws in conflict with this Act are hereby repealed.

35 **Sec. 3.** This Act shall be in full force and effect with respect to income years
36 beginning on and after January 1, 1961.

37 In the General Assembly read three times and ratified, this the 22nd day of June,
38 1961.