

NORTH CAROLINA GENERAL ASSEMBLY  
1981 SESSION

CHAPTER 1212  
HOUSE BILL 1469

AN ACT TO CLARIFY WHEN A CORPORATION MAY APPORTION PART OF ITS NET INCOME OR NET LOSS TO ANOTHER STATE.

The General Assembly of North Carolina enacts:

**Section 1.** G.S. 105-130.4(b) is amended by rewriting the second sentence of the subsection and by adding a sentence at the end of the subsection to read:

"For purposes of allocation and apportionment, a corporation is taxable in another state if (i) the corporation's business activity in that state subjects it to a net income tax or a tax measured by net income, or (ii) that state has jurisdiction based on the corporation's business activity in that state to subject the corporation to a tax measured by net income regardless whether that state exercises its jurisdiction. For purposes of this section, 'business activity' includes any activity by a corporation that would establish a taxable nexus pursuant to 15 United States Code § 381."

**Sec. 2.** This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 18th day of June, 1982.