

NORTH CAROLINA GENERAL ASSEMBLY
1981 SESSION

CHAPTER 973
HOUSE BILL 44

AN ACT TO ALLOW NONRESIDENTS, FILING NORTH CAROLINA RETURNS, TO APPORTION PERSONAL DEDUCTIONS BETWEEN NORTH CAROLINA AND THEIR STATES OF PRINCIPAL RESIDENCE TO THE EXTENT THAT THEIR STATES OF PRINCIPAL RESIDENCE ALLOW APPORTIONMENT OF PERSONAL DEDUCTIONS BY NONRESIDENTS FILING RETURNS IN THAT STATE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-147(18) is rewritten to read as follows:

"In the case of a nonresident individual or partnership, the deductions allowed in this section other than deductions connected with income arising from sources within the State shall be allowed only in the proportion that the individual's adjusted gross income reportable to North Carolina relates to his total adjusted gross income, if the nonresident's state of principal residence allows similar apportionment of personal deductions. The proper apportionment and allocation of the deductions with respect to sources of income within and without the State shall be determined under rules prescribed by the Secretary of Revenue."

Sec. 2. G.S. 105-147(22) is amended to delete the last sentence which reads as follows:

"Provided, further, that the provisions of this subdivision shall not apply to taxpayers who are not residents of this State."

Sec. 3. This act is effective with respect to taxable years beginning on and after January 1, 1981.

In the General Assembly read three times and ratified, this the 7th day of October, 1981.