

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 467

Short Title: Tax on Bank Fee Receipts.

(Public)

Sponsors: Representative Gamble.

Referred to: Commerce, if favorable, Finance.

March 10, 1997

A BILL TO BE ENTITLED

AN ACT TO LEVY A PRIVILEGE LICENSE TAX ON THE GROSS RECEIPTS OF
FINANCIAL INSTITUTIONS FROM FEES THEY CHARGE THEIR
CUSTOMERS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-102.3 reads as rewritten:

"§ 105-102.3. ~~Banks.~~ Banks and financial institutions.

(a) Definitions. – The following definitions apply in this section:

(1) Bank. – A ~~There is hereby imposed upon every~~ bank or banking association, including ~~each~~ a national banking association, that is operating in this State as a commercial bank, an industrial bank, a savings bank created other than under Chapter 54B of the General Statutes or the Home Owners' Loan Act of 1933 (12 U.S.C. §§ 1461-68), a trust company, or any combination of such facilities or services, ~~and whether such bank or banking association, hereinafter to be referred to as a bank or banks, be whether the bank is~~ organized, under the laws of the United States or the laws of North Carolina, in the corporate form or in some other form of business ~~organization,~~ organization.

(2) Financial institution. – An organization that receives, solicits, or accepts money or its equivalent on deposit as a business.

1 (3) Other fees and charges. – Charges imposed by a financial institution on
2 its customers as a fee or penalty for account maintenance, services,
3 transactions, an overdrawn account or insufficient funds, depositing a
4 bad check, failure to maintain a minimum balance, late loan payments,
5 use of an automated teller machine, use of a teller, copying, providing
6 duplicate records, or another similar service.

7 (b) Tax on Assets. – There is levied on every bank an annual privilege tax in the
8 amount of thirty dollars (\$30.00) for each one million dollars (\$1,000,000) or fractional
9 part thereof of total assets ~~held as hereinafter provided.~~ held. The assets upon which the tax
10 is levied shall be determined by averaging the total assets shown in the four quarterly call
11 reports of condition (consolidating domestic subsidiaries) for the preceding calendar year
12 as required by bank regulatory ~~authorities; provided, however, where~~ authorities. If a new
13 bank commences operations within the State there shall be levied and paid an annual
14 privilege tax of one hundred dollars (\$100.00) until ~~such bank shall have~~ the bank has
15 made four quarterly call reports of condition (consolidating domestic subsidiaries) for a
16 single calendar year; ~~provided further, however, where~~ year. If a bank operates an
17 international banking facility, as defined in G.S. 105-130.5(b)(13), the assets upon which
18 the tax is levied shall be reduced by the average amount for the taxable year of all assets
19 of the international banking facility which are employed outside the United States, as
20 computed pursuant to G.S. 105-130.5(b)(13)c. For an out-of-state bank with one or more
21 branches in this State, or for an in-state bank with one or more branches outside this
22 State, the assets of the out-of-state bank or of the in-state bank upon which the tax is
23 levied shall be reduced by the average amount for the taxable year of all assets of the out-
24 of-state bank or of the in-state bank which are employed outside this State.

25 (c) Tax on Receipts from Other Fees and Charges. – There is levied on every
26 financial institution engaged in business in this State a privilege license tax of one percent
27 (1%) of the institution's gross receipts from other fees and charges. The tax is payable
28 quarterly no later than the twentieth day of January, April, July, and October of each year
29 on the institution's receipts for the preceding calendar quarter.

30 (d) No Local Tax. – The ~~tax~~ taxes imposed hereunder shall be in this section are for
31 the privilege of carrying on the businesses ~~herein defined~~ defined in this section on a
32 statewide basis regardless of the number of places or locations of business within the
33 State. ~~Counties, cities and towns~~ Counties and municipalities shall not levy a license or
34 privilege tax on the businesses taxed under this section, nor on the business of an
35 international banking facility as defined in subsection (b)(13) of G.S. 105-130.5."

36 Section 2. This act becomes effective July 1, 1997, and applies to gross
37 receipts earned on or after that date.