

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 62*

Short Title: EFT of Corporate Estimated Income Tax.

(Public)

Sponsors: Representatives Gray, Cansler, Capps, Hill, Neely, Ramsey, C. Wilson; Culp, Dockham, Rayfield, Starnes, and Wood.

Referred to: Finance.

February 10, 1999

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE CORPORATIONS THAT ARE REQUIRED TO PAY
2 FEDERAL-ESTIMATED INCOME TAX BY ELECTRONIC FUNDS TRANSFER
3 TO PAY STATE-ESTIMATED INCOME TAX BY ELECTRONIC FUNDS
4 TRANSFER.
5

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 105-163.40 reads as rewritten:

8 "**§ 105-163.40. Time for submitting declaration; time and method for paying**
9 **estimated ~~tax~~-tax; form of payment.**

10 (a) Due Dates of Declarations. – Declarations of estimated tax are due at the same
11 time as the corporation's first installment payment. Installment payments are due as
12 follows:

13 (1) If, before the 1st day of the 4th month of the taxable year, the
14 corporation's estimated tax equals or exceeds five hundred dollars
15 (\$500.00), the corporation shall pay the estimated tax in four equal
16 installments on or before the 15th day of the 4th, 6th, 9th and 12th
17 months of the taxable year.

18 (2) If, after the last day of the 3rd month and before the 1st day of
19 the 6th month of the taxable year, the corporation's estimated tax

1 equals or exceeds five hundred dollars (\$500.00), the corporation shall
2 pay the estimated tax in three equal installments on or before the 15th
3 day of the 6th, 9th and 12th months of the taxable year.

4 (3) If, after the last day of the 5th month and before the 1st day of
5 the 9th month of the taxable year, the corporation's estimated tax
6 equals or exceeds five hundred dollars (\$500.00), the corporation shall
7 pay the estimated tax in two equal installments on or before the 15th
8 day of the 9th and 12th months.

9 (4) If, after the last day of the 8th month and before the 1st day of
10 the 12th month of the taxable year, the corporation's estimated tax
11 equals or exceeds five hundred dollars (\$500.00), the corporation shall
12 pay the estimated tax on or before the 15th day of the 12th month of
13 the taxable year.

14 (b) Payment of Estimated Tax When Declaration Amended. – When a corporation
15 submits an amended declaration after making one or more installment payments on its
16 estimated tax, the amount of each remaining installment shall be the amount that would
17 have been payable if the estimate in the amended declaration was the original estimate,
18 increased or decreased as appropriate by the amount computed by dividing:

19 (1) The absolute value of the difference between:

20 a. The amount paid and

21 b. The amount that would have been paid if the estimate
22 in the amended declaration was the original estimate by

23 (2) The number of remaining installments.

24 (c) Short Taxable Year. – Payment of estimated tax for taxable years of less than
25 12 months shall be made in accordance with rules promulgated by the Secretary.

26 (d) Form of Payment. – A corporation that is required under the Code to pay its
27 federal-estimated corporate income tax by electronic funds transfer must pay its State-
28 estimated tax by electronic funds transfer."

29 Section 2. G.S. 105-241(b) reads as rewritten:

30 "(b) Electronic Funds Transfer. –~~The~~ Except as provided in G.S. 105-163.40, the
31 Secretary shall not require a taxpayer to pay a tax by electronic funds transfer unless,
32 during the applicable period for that tax, the average amount of the taxpayer's required
33 payments of the tax was at least twenty thousand dollars (\$20,000) a month. The twenty
34 thousand dollar (\$20,000) threshold applies separately to each tax. The applicable period
35 for a tax is a 12-month period, designated by the Secretary, preceding the imposition or
36 review of the payment requirement. The requirement that a taxpayer pay a tax by
37 electronic funds transfer remains in effect until suspended by the Secretary. Every 12
38 months after requiring a taxpayer to pay a tax by electronic funds transfer, the Secretary
39 shall determine whether, during the applicable period for that tax, the average amount of
40 the taxpayer's required payments of the tax was at least twenty thousand dollars
41 (\$20,000) a month. If it was not, the Secretary shall suspend the requirement that the
42 taxpayer pay the tax by electronic funds transfer and shall notify the taxpayer in writing
43 that the requirement has been suspended."

1 Section 3. This act becomes effective for taxable years beginning on or after
2 January 1, 2000.