

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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SENATE DRS55237-LYz-153A\* (4/6)

Short Title: Reduce Corporate Income Taxes. (Public)

Sponsors: Senators Hoyle, Apodaca, Garwood, Hagan, Hargett, Malone, Smith, Swindell, and Thomas.

Referred to:

A BILL TO BE ENTITLED  
AN ACT TO REDUCE CORPORATE INCOME TAXES.

The General Assembly of North Carolina enacts:

**SECTION 1.** It is the intent of the General Assembly to stimulate economic growth and development in the State by encouraging the establishment of new business enterprises and the expansion of existing enterprises. Due to the fact that the State already has a number of economic development incentives that primarily benefit large business, it is the further intent of the General Assembly to provide an economic development incentive that will benefit small business. The General Assembly finds that a reduction of the corporate income tax burden will encourage the growth and development of small businesses in the State.

**SECTION 2.** G.S. 105-130.3 reads as rewritten:

**"§ 105-130.3. Corporations.**

A tax is imposed on the State net income of every C Corporation doing business in this State. An S Corporation is not subject to the tax levied in this section. The tax is a percentage six and nine-tenths percent (6.9%) of the taxpayer's State net ~~income~~ computed as follows:

<del>Income Years Beginning</del>	<del>Tax</del>
<del>In 1997</del>	<del>7.5%</del>
<del>In 1998</del>	<del>7.25%</del>
<del>In 1999</del>	<del>7%</del>
<del>After 1999</del>	<del>6.9% income."</del>

**SECTION 3.** This act is effective for taxable years beginning on or after January 1, 2004.