

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**SENATE BILL 1101\***

Short Title: Reduce Corporate Income Taxes. (Public)

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

Referred to: Finance.

May 17, 2004

1 A BILL TO BE ENTITLED  
2 AN ACT TO REDUCE CORPORATE INCOME TAXES.  
3 The General Assembly of North Carolina enacts:

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

12 **SECTION 2.** G.S. 105-130.3 reads as rewritten:  
13 **"§ 105-130.3. Corporations.**

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

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

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