

May 11, 2006

H 1962. FRANCHISE TAX LOOPHOLE CLOSING. Filed 5/11/06. *TO APPLY THE FRANCHISE TAX TO CERTAIN LIMITED LIABILITY COMPANIES AND TO PROVIDE A CREDIT FOR ADDITIONAL ANNUAL REPORT FEES PAID BY LIMITED LIABILITY COMPANIES SUBJECT TO FRANCHISE TAX.* Applies the corporate franchise tax to limited liability companies that elect to be taxed as C corporations under the federal income tax code. Provides limited liability companies that are subject to the franchise tax with a tax credit that is equal to the difference between the annual report fee for corporations under GS 55-1-22 and the annual report fee for limited liability companies under GS 57C-1-22(a). Effective for taxable years beginning on or after January 1, 2007.

Intro. by Luebke.

GS 105