

G.S. 150B-21.3A Report for 17 NCAC 05, CORPORATE FRANCHISE, INCOME, AND INSURANCE TAXES									
Agency - Department of Revenue									
Comment Period - February 1, 2017 through April 3, 2017									
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Subchapter	Rule Section	Rule Citation	Rule Name	Date and Last Agency Action on the Rule	Agency Determination [150B-21.3A(c)(1)a]	Implements or Conforms to Federal Regulation [150B-21.3A(e)]	Federal Regulation Citation	Public Comment Received [150B-21.3A(c)(1)]	Agency Determination Following Public Comment [150B-21.3A(c)(1)]
SUBCHAPTER 5B - FRANCHISE TAX	SECTION .0100 - GENERAL INFORMATION	17 NCAC 05B .0104	INACTIVE CORPORATIONS	Amended Eff. November 1, 1991	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05B .0105	DISSOLUTION OR WITHDRAWAL OF CORPORATE RIGHTS	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05B .0107	EXTENSION OF FILING DATE	Amended Eff. July 1, 1999	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05B .0108	ELECTRONIC FILING OF GENERAL BUSINESS FRANCHISE TAX RETURNS	Eff. March 1, 2006	Unnecessary	No		No	Unnecessary
	SECTION .1100 - CAPITAL STOCK: SURPLUS AND UNDIVIDED PROFITS BASE	17 NCAC 05B .1104	EXCLUSION OF RETAINED EARNINGS BY PARENT CORPORATION	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05B .1105	INVESTMENT IN SUBSIDIARY	Amended Eff. July 1, 1999	Necessary with substantive public interest	No		No	Necessary with substantive public interest
		17 NCAC 05B .1108	EXCLUSION PROVISION LIMITED TO INDEBTEDNESS OWED	Amended Eff. January 1, 1994	Necessary with substantive public interest	No		No	Necessary with substantive public interest
		17 NCAC 05B .1109	EQUITY CAPITAL NOT DEDUCTIBLE	Eff. February 1, 1976	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05B .1110	RECIPROCAL INDEBTEDNESS BETWEEN AFFILIATES	Amended Eff. January 1, 1994	Necessary with substantive public interest	No		No	Necessary with substantive public interest
		17 NCAC 05B .1115	CASH BASIS CORPORATIONS	Eff. April 1, 1991	Unnecessary	No		No	Unnecessary
	SECTION .1300 - INVESTMENT IN TANGIBLE PROPERTIES IN NORTH CAROLINA BASE	17 NCAC 05B .1302	WHAT IS INCLUDABLE IN THE INVESTMENT BASE	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05B .1303	TREATMENT OF CONSTRUCTION IN PROGRESS	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05B .1306	REFINANCING OF A LOAN	Amended Eff. January 1, 1994	Unnecessary	No		No	Unnecessary
		17 NCAC 05B .1309	DETERMINATION OF INCLUSION BY DEPRECIATION	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .1400 - APPRAISED VALUATION OF TANGIBLE AND INTANGIBLE PROPERTY BASE	17 NCAC 05B .1406	INVESTMENT BASE PROPERTY INCLUDED	Eff. February 1, 1976	Necessary with substantive public interest	No		No	Necessary with substantive public interest

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	SECTION .1500 - CHANGE OF INCOME YEAR	17 NCAC 05B .1501	COMPUTATION OF TAX	Amended Eff. October 31, 1981	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05B .1502	COMPUTATION OF TAX WHEN MERGER IS INVOLVED	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
SUBCHAPTER 5C - CORPORATE INCOME TAX	SECTION .0100 - CORPORATIONS SUBJECT TO THE TAX: TAX RATE AND ALLOCATION	17 NCAC 05C .0101	DOMESTIC AND FOREIGN CORPORATIONS REQUIRED TO FILE	Amended Eff. January 1, 1994	Necessary with substantive public interest	No		No	Necessary with substantive public interest
		17 NCAC 05C .0102	DOING BUSINESS DEFINED	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0103	CORPORATIONS OPERATING IN INTERSTATE COMMERCE	Amended Eff. January 1, 1995	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .0300 - COMPUTATION OF NET INCOME	17 NCAC 05C .0304	ATTRIBUTION OF EXPENSES TO NONTAXABLE INCOME	Amended Eff. August 1, 2005	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .0400 - INTEREST INCOME ON GOVERNMENT OBLIGATIONS	17 NCAC 05C .0401	NORTH CAROLINA OBLIGATIONS	Amended Eff. April 1, 1991	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0402	OBLIGATIONS OF OTHER STATES	Amended Eff. April 1, 1991	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0403	U.S. OBLIGATIONS	Amended Eff. January 1, 1995	Necessary with substantive public interest	No		No	Necessary with substantive public interest
		17 NCAC 05C .0404	SALES OR EXCHANGES	Amended Eff. January 1, 1995	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0405	OBLIGATIONS OF FEDERAL NATIONAL MORTGAGE ASSOCIATION	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0406	MORTGAGE BACKED CERTIFICATE GUARANTEED BY GNMA	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0407	REPURCHASE AGREEMENTS	Eff. November 2, 1992	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .0600 - TAXABLE IN ANOTHER STATE	17 NCAC 05C .0601	PRELIMINARY STATEMENT	Amended Eff. January 1, 2005	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0602	DEFINITION OF TAXPAYER	Eff. February 1, 1976	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0604	WHEN A TAXPAYER IS SUBJECT TO TAX	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0605	WHEN A STATE HAS JURISDICTION	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .0700 - APPORTIONABLE AND NONAPPORTIONABLE INCOME	17 NCAC 05C .0701	DIVISION OF INCOME: IN GENERAL	Amended Eff. January 1, 2005	Necessary without substantive public interest	No		No	Necessary without substantive public interest

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		17 NCAC 05C .0704	PRORATION OF DEDUCTIONS	Amended Eff. January 1, 2005	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .0800 - PROPERTY FACTOR	17 NCAC 05C .0801	IN GENERAL	Amended Eff. January 1, 2005	Necessary with substantive public interest	No		No	Necessary with substantive public interest
		17 NCAC 05C .0802	PROPERTY USED FOR THE PRODUCTION OF APPORTIONABLE INCOME	Amended Eff. January 1, 2005	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0803	CONSISTENCY IN REPORTING	Eff. February 1, 1976	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0804	NUMERATOR	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0805	VALUATION OF OWNED PROPERTY	Amended Eff. December 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .0900 - PAYROLL FACTOR	17 NCAC 05C .0902	PAYROLL ACCOUNTING METHOD	Eff. February 1, 1976	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0903	COMPENSATION	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0906	DENOMINATOR OF PAYROLL FACTOR	Amended Eff. January 1, 2005	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .0907	NUMERATOR OF PAYROLL FACTOR	Amended Eff. January 1, 2005	Necessary with substantive public interest	No		No	Necessary with substantive public interest
		17 NCAC 05C .0908	CORPORATIONS UTILIZING COMMON PAYMASTER	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .1000 - SALES FACTOR	17 NCAC 05C .1001	SALES MADE IN GENERAL BUSINESS OPERATIONS	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .1002	SALES INCIDENTAL TO GENERAL BUSINESS OPERATIONS	Amended Eff. January 1, 2005	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .1003	SALES MADE IN OTHER TYPE OF BUSINESS ACTIVITY	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .1004	NUMERATOR	Amended Eff. October 31, 1981	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .1005	WHAT SALES OF TANGIBLE PERSONAL PROPERTY ARE IN THIS STATE	Amended Eff. October 31, 1981	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .1006	SALES FACTOR: SALES TO UNITED STATES GOVERNMENT	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .1400 - AMORTIZATION OF BOND PREMIUMS	17 NCAC 05C .1401	PRELIMINARY STATEMENT	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .1402	TAX-EXEMPT BONDS	Amended Eff. October 31, 1981	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .1403	TAXABLE BONDS	Amended Eff. October 31, 1981	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .1404	DEFINITION OF BOND	Eff. February 1, 1976	Necessary without substantive public interest	No		No	Necessary without substantive public interest

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	SECTION .1500 - NET ECONOMIC LOSS CARRY-OVER	17 NCAC 05C .1506	CORPORATIONS ALLOCATING THEIR NET INCOME	Amended Eff. January 1, 2005	Necessary with substantive public interest	No		No	Necessary with substantive public interest
		17 NCAC 05C .1507	CORPORATION SUSTAINING LOSS ENTITLED TO DEDUCTION	Amended Eff. January 1, 1994	Unnecessary	No		No	Unnecessary
	SECTION .1700 - PARTNERSHIPS AND THE CORPORATE PARTNER	17 NCAC 05C .1701	REPORTING PARTNERSHIP NET INCOME	Eff. February 1, 1976	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .1702	APPORTIONABLE INCOME OR nONAPPORTIONABIE INCOME	Amended Eff. January 1, 2005	Necessary with substantive public interest	No		No	Necessary with substantive public interest
	SECTION .1900 - FILING OF RETURNS AND PAYMENT OF TAXES	17 NCAC 05C .1904	OVERPAYMENTS APPLIED TO NEXT YEAR	Eff. March 1, 2006	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .1905	ELECTRONIC FILING OF CORPORATION INCOME TAX RETURNS	Eff. March 1, 2006	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .2000 - EXTENSION OF TIME FOR FILING RETURN	17 NCAC 05C .2004	EXTENSION OF FILING DATE	Amended Eff. January 1, 2009	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .2100 - DISSOLUTIONS AND WITHDRAWALS	17 NCAC 05C .2101	REQUIREMENTS WHEN CORPORATION ENDS	Amended Eff. July 1, 1999	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .2400 - DOMESTIC INTERNATIONAL SALES CORPORATION	17 NCAC 05C .2401	DOING BUSINESS ACTIVITIES OF DISC	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .2403	APPORTIONMENT OF DISC NET INCOME	Amended Eff. January 1, 1994	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05C .2404	DIVIDENDS RECEIVED FROM DISC	Amended Eff. January 1, 2005	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SUBCHAPTER 05D - ALTERNATIVE APPORTIONMENT METHOD	17 NCAC 05D .0107	PURPOSE	Eff. February 1, 2008	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05D .0108	WHO MAY SUBMIT REQUEST	Eff. February 1, 2008	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05D .0109	REQUEST FOR ALTERNATIVE APPORTIONMENT FORMULA	Eff. February 1, 2008	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05D .0110	TIME FOR FILING	Eff. February 1, 2008	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05D .0111	NOTICE OF CONFERENCE	Eff. February 1, 2008	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05D .0112	WHO SHALL ATTEND THE CONFERENCE	Eff. February 1, 2008	Necessary with substantive public interest	No		No	Necessary with substantive public interest

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		17 NCAC 05D .0113	CONDUCT OF THE CONFERENCE	Eff. February 1, 2008	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05D .0114	REMEDY	Eff. April 1, 2008	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05D .0115	FINAL DECISION	Eff. February 1, 2008	Necessary without substantive public interest	No		No	Necessary without substantive public interest
SUBCHAPTER 5E - INSURANCE PREMIUMS TAX AND REGULATORY SURCHARGE	SECTION .0100 - GENERAL PROVISIONS	17 NCAC 05E .0101	REDUCED INSTALLMENT PAYMENTS	Amended Eff. August 1, 1998	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05E .0103	PREMIUM FINANCE CHARGES AND OTHER CHARGES	Amended Eff. August 1, 1998	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05E .0104	DIVIDENDS APPLIED TO PURCHASE ADDITIONAL PAID-UP LIFE	Transferred & Recodified from 11 NCAC 11E .0302 Eff. January 15, 1998	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05E .0106	EMPLOYEE BENEFIT PLAN CONTRIBUTIONS	Transferred & Recodified from 11 NCAC 11E .0305 Eff. January 15, 1998	Necessary without substantive public interest	No		No	Necessary without substantive public interest
SUBCHAPTER 05F – SECRETARY’S AUTHORITY TO ADJUST NET INCOME OR TO REQUIRE A COMBINED RETURN	SECTION .0100 - GENERAL	17 NCAC 05F .0101	SCOPE	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05F .0102	DEFINITIONS	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .0200 – ECONOMIC SUBSTANCE	17 NCAC 05F .0201	ECONOMIC SUBSTANCE TEST BURDEN OF PROOF	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05F .0202	REASONABLE BUSINESS PURPOSES	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05F .0203	ECONOMIC EFFECTS	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05F .0204	ECONOMIC SUBSTANCE DOCTRINE	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05F .0205	ECONOMIC SUBSTANCE FACTORS	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05F .0206	WHEN STATE INCOME TAX BENEFITS ARE CONSIDERED	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05F .0207	CENTRALIZED CASH MANAGEMENT	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .0300 – FAIR MARKET VALUE	17 NCAC 05F .0301	DETERMINATION OF FAIR MARKET VALUE	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .0400 - ADJUSTMENTS	17 NCAC 05F .0401	ADJUSTMENTS TO STATE NET INCOME	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest

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	SECTION .0500 – COMBINED RETURNS	17 NCAC 05F .0501	METHODOLOGY WHEN COMBINED RETURN REQUIRED OR PERMITTED	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05F .0502	PROCEDURES FOR FILING A COMBINED INCOME TAX RETURN	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
		17 NCAC 05F .0503	COMBINED RETURN TAX CREDITS	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	SECTION .0600 – FRANCHISE TAX RETURN	17 NCAC 05F .0601	PROCEDURES FOR FILING A FRANCHISE TAX RETURN	Eff. January 31, 2013	Necessary without substantive public interest	No		No	Necessary without substantive public interest