

# ADOPTED



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 267\*

HELD TO BE MATERIAL  
CONSTITUTES 1ST RDG

AMENDMENT NO. 1  
(to be filled in by  
Principal Clerk)

S267-ARBx-48 [v.3]

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Comm. Sub. [YES]  
Amends Title [NO]  
Second Edition

Date June 13, 2011

Senator Clodfelter

1 moves to amend the bill on page 5, lines 4 through 8, by rewriting the lines to read:

2 "d) Other Adjustments. – The following adjustments to taxable income shall be made in  
3 calculating North Carolina taxable income:

4 ...  
5 (8) For taxable years 2011 through 2013, a taxpayer who made an addition  
6 under subdivision (7) of this subsection may deduct ~~one-third~~ the following  
7 amounts:

8 a. For a taxpayer who made an addition under sub-subdivision (7)a. of  
9 this subsection, one-third of the taxpayer's net operating loss  
10 absorbed on the taxpayer's 2003, 2004, 2005, and 2006 and 2005  
11 federal returns under section 172(b)(1)(H) or section 810(b)(4) of the  
12 Code. Code, with the exception of the portion of the net operating  
13 loss of an eligible small business absorbed on the taxpayer's 2003,  
14 2004, and 2005 federal returns.

15 b. For a taxpayer who made an addition under sub-subdivision (7)b. of  
16 this subsection, one-third of the taxpayer's net operating loss  
17 absorbed on the taxpayer's 2004, 2005, and 2006 federal returns  
18 under section 172(b)(1)(H) or section 810(b)(4) of the Code, with the  
19 exception of the portion of the net operating loss of an eligible small  
20 business absorbed on the taxpayer's 2004, 2005, and 2006 federal  
21 returns."

22  
23 And on page 5, line 12, by rewriting the line to read:

24 "SECTION 15.(a) G.S. 105-164.3(25), (27), (27b), and (30a) reads as rewritten:"

25  
26 And on page 5, lines 20 and 21, by inserting the following between those lines:

27 "(27) Prepaid telephone calling service. – Prepaid ~~wireline~~ calling service or  
28 prepaid wireless calling service.

29 ...  
30 (27b) Prepaid ~~wireline~~ calling service. – A right that meets all of the following  
31 requirements:

32 a. Authorizes the exclusive purchase of ~~wireline~~ telecommunications  
33 service.



\* S 2 6 7 - A R B X - 4 8 - V - 3 \*

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- 1                   b.     Must be paid for in advance.
- 2                   c.     Enables the origination of calls by means of an access number,
- 3                                 authorization code, or another similar means, regardless of whether
- 4                                 the access number or authorization code is manually or electronically
- 5                                 dialed.
- 6                   d.     Is sold in units or dollars whose number or dollar value declines with
- 7                                 use and is known on a continuous basis.
- 8                   ...";
- 9

10 and on page 10, lines 2 through 11, by rewriting the lines to read:

11       "(a)    Services. – The effective date of a tax change for a service taxable under this Article

12 is administered as follows:

- 13           (1)    For a service that is provided and billed on a monthly or other periodic basis:
- 14                   a.     A new tax or a tax rate increase applies to the first billing period that
- 15                                 is at least 30 days after enactment and that starts on or after the
- 16                                 effective date. For a service billed after it is provided, the first billing
- 17                                 period starts on the effective date. For a service billed before it is
- 18                                 provided, the first billing period starts on the first day of the month
- 19                                 after the effective date.
- 20                   b.     A tax repeal or a tax rate decrease applies to bills rendered on or after
- 21                                 the effective date."
- 22

23 And on page 10, line 28, by rewriting the line to read:

24       "**SECTION 29.** G.S. 105-164.4B is amended by adding a new subsection to read:

25       '**(f)    Digital Property.** – A purchaser receives digital property when the purchaser takes

26 possession of the property or makes first use of the property, whenever comes first."

27

28 And on page 13, line 23, by rewriting the line to read:

29       "**SECTION 38.** G.S. 105-164.41 is repealed.

30       **SECTION 39.** Reserved."

31

32 And on page 14, lines 46 and 47, by rewriting the lines to read:

33       "**SECTION 8.** As applied to G.S. 20-79.4, the authority in G.S. 164-10 for the ~~Division~~

34 ~~of Legislative Drafting and Codification~~ Legislative Services Office to reletter or renumber

35 section subdivisions includes the"

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SIGNED *David G. Cook*  
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED 47-1 FAILED \_\_\_\_\_ Tabled \_\_\_\_\_

*Sarah Clapp*  
6.13.11

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