



**NCDOR**

**NORTH  
CAROLINA  
DEPARTMENT  
OF REVENUE**

**Roy Cooper  
Governor**

**Ronald G. Penny  
Secretary**

The request of [REDACTED] )  
and subsidiaries for an alternative method of ) ADMINISTRATIVE DECISION  
apportionment for franchise tax purposes for ) Number: 2021-02  
the tax year ending December 31, 2019, )  
December 31, 2020 and December 31, 2021 )

This matter was heard before Anthony Edwards, Assistant Secretary for Tax Administration, on July 26, 2021 upon a petition filed on December 18, 2020 by [REDACTED] (“Company”) concerning the apportionment of Company’s franchise net worth base for tax years 2019, 2020 and 2021 pursuant to G.S. 105-122(c1)(2). Company is requesting “permission to use an alternative apportionment methodology of franchise tax purposes.”

The Assistant Secretary for Tax Administration presided over the conference with John Seibert, Director of the Corporate Tax Division, participating on behalf of Company was [REDACTED].

After review of the request and consideration of evidence, contentions and arguments set forth in the request, the Secretary of Revenue rendered his decision and entered the following order:

IT IS HEREBY ORDERED BY THE SECRETARY OF REVENUE that Company’s written request for authorization to use an alternative method of apportionment of its net worth franchise tax base for North Carolina franchise tax purposes for tax years 2019, 2020 and 2021 is denied. The Secretary notes that N.C. Gen. Stat. 105-122(c1) establishes a presumption that the statutory method of apportionment is the best method of determining the amount of a corporation’s net worth attributable to its business in this State.

[REDACTED]

In order to rebut this presumption, a taxpayer has the burden to show that the statutory method of apportionment subjects the taxpayer to tax on a greater portion of its net worth than is reasonably attributable to its business in this State. Company did not produce clear, cogent and convincing proof that it is entitled to the relief requested; consequently, the Secretary will not grant Company permission to employ an alternate method of apportionment. Company is required to employ the applicable method of apportionment prescribed by North Carolina General Statutes for tax years 2019, 2020 and 2021.

Made and entered into this the 29TH day of September, 2021.

Signature

[REDACTED]

Anthony Edwards  
Assistant Secretary, Tax Administration  
North Carolina Department of Revenue