



North Carolina Department of Revenue

Roy Cooper
Governor

Ronald G. Penny
Secretary

The request of [REDACTED])
for an alternative method of apportionment) ADMINISTRATIVE DECISION
for income tax purposes for the tax year) Number: 2021-03
ending December 31, 2019)

This matter was heard before Anthony Edwards, Assistant Secretary for Tax Administration, on August 26, 2021 upon a petition filed on May 12, 2021 by [REDACTED] [REDACTED] ("Company") concerning the apportionment of Company's apportionable income for tax year ending December 31, 2019 pursuant to G.S. 105-130.4(t1). Company is requesting "permission to use an alternative apportionment methodology for income 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], [REDACTED], [REDACTED], [REDACTED], and [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 apportionable income for North Carolina income tax purposes for tax year 2019 is denied. The Secretary notes that N.C. Gen. Stat. 105-130.4(t1) establishes a presumption that the statutory method of apportionment is the best method of determining the portion of a corporation's

[REDACTED]

income that is attributable to its business in this State. In order to rebut this presumption, a taxpayer has the burden to show that the proposed alternative method is a better method of determining the amount of the corporation's income attributable to the corporation's 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 year ending December 31, 2019.

Made and entered into this the 23rd day of November, 2021.

Signature

[REDACTED]

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