

IMPORTANT NOTICE REGARDING THE CHANGE IN EFFECTIVE DATES OF THE SECRETARY'S AUTHORITY TO ADJUST THE NET INCOME OF A CORPORATION OR TO REQUIRE A CORPORATION TO FILE A COMBINED RETURN

On June 30, 2011, Governor Perdue signed into law Session Law 2011-390 (House Bill 619) passed by the General Assembly. This law repeals the Secretary's existing statutory authority in G.S. 105-130.6, 105-130.15 and 105-130.16 to adjust a corporation's net income or require a combined return. As originally enacted, the repeal of existing statutory authority was effective January 1, 2012. On September 15, 2011, Governor Perdue signed into law Session Law 2011-411 (Senate Bill 580) passed by the General Assembly. This law revises the effective date of the repeal of the Secretary's existing statutory authority to now be effective for tax years beginning on or after January 1, 2012.

The repealed statutory provisions have been replaced with a new statute, G.S. 105-130.5A, which authorizes the Secretary to adjust the net income of a corporation or to require a corporation to file a combined return. The new statute remains effective for tax years beginning on or after January 1, 2012

The Department is in the process of reviewing Session Law 2011-390 and 2011-411 and will provide further guidance in the near future.