

TABLE II. TAX YEAR 2001 C-CORPORATION RETURNS BY FEDERAL TAXABLE INCOME (BEFORE NOL) AND APPORTIONMENT PERCENTAGE

Federal Taxable Income	NC Apportionment Percentage					Total
	<5%	5% - 24%	25% - 49%	50% - 99%	100%	
\$0 or less	12,418	2,085	744	1,184	26,983	43,414
\$1 - \$19,999	1,116	316	154	303	14,891	16,780
\$20,000- \$99,999	1,070	425	180	409	7,028	9,112
\$100,000 - \$ 999,999	2,276	701	259	543	2,261	6,040
\$1,000,000 - \$9,999,999	2,701	575	187	203	285	3,951
\$10,000,000 - \$49,999,999	1,178	184	51	37	31	1,481
\$50,000,000+	624	93	10	9	4	740
Total	21,383	4,379	1,585	2,688	51,483	81,518

TABLE III. TAX YEAR 2001 C-CORPORATION LIABILITY BY FEDERAL TAXABLE INCOME (BEFORE NOL) AND APPORTIONMENT PERCENTAGE

Federal Taxable Income	NC Apportionment Percentage					Total
	<5%	5% - 24%	25% - 49%	50% - 99%	100%	
	[\$]	[\$]	[\$]	[\$]	[\$]	[\$]
\$0 or less	6,351,886	702,705	171,486	13,568,949	705,320	21,500,346
\$1 - \$19,999	6,212	21,716	20,525	84,322	4,035,840	4,168,615
\$20,000- \$99,999	52,490	168,170	186,547	858,443	16,064,549	17,330,199
\$100,000 - \$ 999,999	897,716	1,975,674	1,803,879	7,535,422	31,845,795	44,058,486
\$1,000,000 - \$9,999,999	8,389,361	13,692,044	12,335,908	28,219,558	35,227,929	97,864,800
\$10,000,000 - \$49,999,999	19,201,550	26,930,975	23,052,822	27,529,258	34,480,428	131,195,033
\$50,000,000+	96,134,095	156,809,859	44,015,810	64,214,848	18,930,550	380,105,162
Total	131,033,310	200,301,143	81,586,977	142,010,800	141,290,411	696,222,641

Notes: A corporation's apportionment percentage is used to determine how much of the corporation's income may be taxed by North Carolina. The percentage is based on how much of the corporation's property, payroll, and sales are in North Carolina, with sales being given a double weight. A corporation must have a physical or significant economic presence in North Carolina, in order to be subject to taxation in the State. Due to the nature of their business, the following types of corporations apportion income using only the sales factor: public utilities, building or construction contractors, securities dealers, loan companies, or corporations receiving more than 50% of their ordinary gross income from intangible property.

Some corporations have no Federal Taxable Income but pay North Carolina taxes because provisions of the State tax code require that they add back certain amounts, such as income taxes paid, to their taxable income. Other corporations have a positive Federal Taxable Income but pay no tax in North Carolina because some of their income is not subject to taxation by states or because provisions of the State tax code allow them to reduce their income to the point where it is zero or less.

