

TABLE V. TAX YEAR 2002 S-CORPORATION RETURNS AND TAX LIABILITY BY NC TAXABLE INCOME

Corporation NC Taxable Income	Number of Returns	Percent	Number With Tax Due for Nonresidents	Net Tax Liability [\$]	Percent
\$0 or less*	43,360	42%	26	7,240	0%
\$1-\$15,000	21,689	21%	1,593	390,908	1%
\$15,001-30,000	10,401	10%	386	459,594	2%
\$30,001-\$50,000	8,210	8%	283	640,279	2%
\$50,001-\$100,000	9,019	9%	358	1,427,036	5%
\$100,001-\$500,000	9,066	9%	543	6,725,469	23%
\$500,001-\$1,000,000	1,169	1%	113	4,883,568	17%
\$1,000,001+	854	1%	84	14,167,431	49%
Total	103,768	100%	3,386	28,701,525	100%

Detail may not add to totals due to rounding.

\* Includes both returns with no Federal Taxable Income and those that have Federal Taxable Income but no North Carolina Taxable Income. The Net Tax Liability in this bracket is positive due to taxpayer error.

Notes: S-Corporations pass their tax liability along to their shareholders, who pay tax on the income according to the individual income tax rate schedule. S-Corporations which have shareholders who are not North Carolina residents may pass the tax liability to those shareholders only if the nonresidents sign an agreement to pay North Carolina taxes on their share of the corporation's income. For nonresident shareholders who fail to sign such an agreement, the S-Corporation must file a composite return and pay the tax for the shareholders. The tax for nonresidents filing composite is calculated according to the individual income tax rate schedule, but the collections are considered corporate income tax receipts.

Figure ix. Number of S-Corporations by NC Taxable Income  
Tax Year 2002

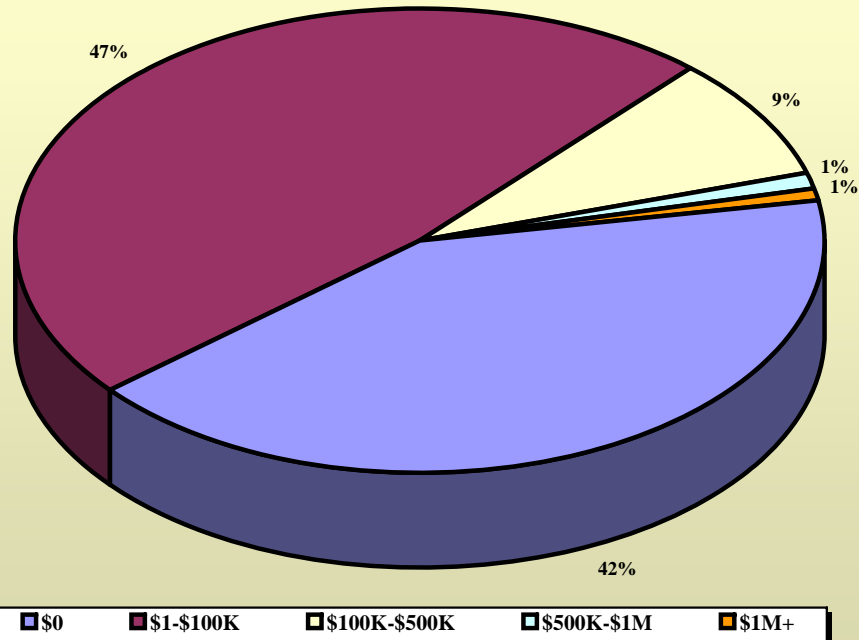


Figure x. S-Corporation Tax Liability by NC Taxable Income  
Tax Year 2002

