

TABLE V. TAX YEAR 2001 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*	41,432	42%	5	3,787	0%
\$1-\$15,000	19,983	20%	1,464	380,158	2%
\$15,001-30,000	9,749	10%	358	415,316	2%
\$30,001-\$50,000	7,564	8%	260	548,170	2%
\$50,001-\$100,000	8,454	9%	307	1,220,923	5%
\$100,001-\$500,000	8,509	9%	519	6,526,510	28%
\$500,001-\$1,000,000	1,072	1%	96	4,038,374	17%
\$1,000,001+	788	1%	70	10,087,916	43%
<b>Total</b>	<b>97,551</b>	<b>100%</b>	<b>3,079</b>	<b>23,221,154</b>	<b>100%</b>

\* Includes both returns with no Federal Taxable Income and those that have Federal Taxable Income but no North Carolina Taxable Income.

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 2001

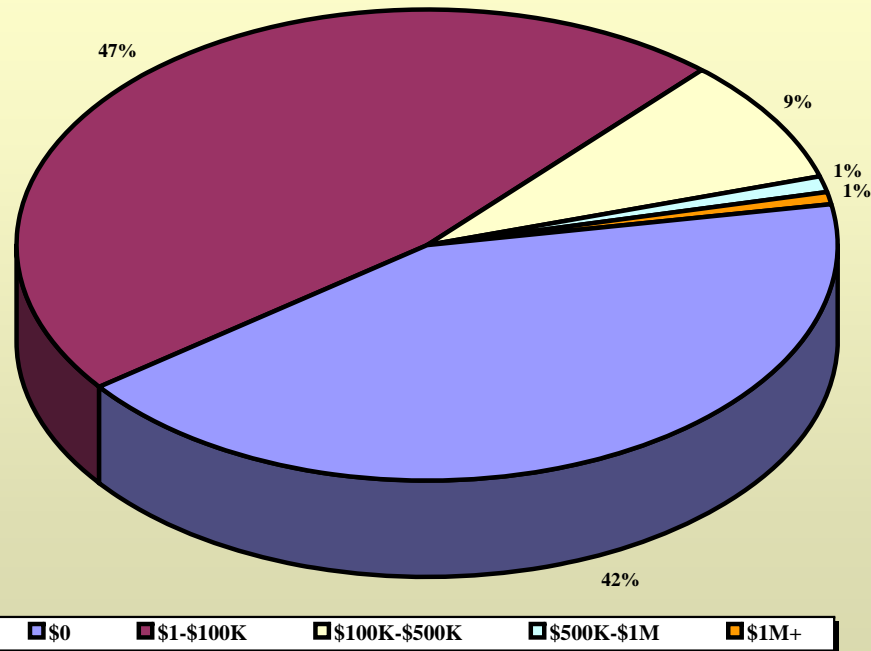


Figure x. S-Corporation Tax Liability by NC Taxable Income  
Tax Year 2001

