

TABLE VI. TAX YEAR 2002 S-CORPORATION INCOME TAX CALCULATION DETAIL

	Number of Returns	(+) Shares Income [\$]	(+) Adjustments to Federal Income [\$]	(-) Non-Business Income [\$]	(-) Reduction Due To Apportionment [\$]	(=) Income Apportioned to NC [\$]
NC Taxable Income						
Zero or Negative	43,360	(5,212,054,490)	475,796,004	227,533,832	(3,569,694,270)	(1,708,010,771)
Positive, But No Income Attributable to Nonresidents Filing Composite	57,048	12,113,041,182	775,203,095	227,814,682	6,725,494,366	5,935,425,935
Positive, With Income Attributable to Nonresidents Filing Composite	3,360	10,309,516,993	702,154,380	305,173,337	10,238,053,754	466,858,019
Total	103,768	17,210,503,685	1,953,153,479	760,521,851	13,393,853,850	4,694,273,183

	(+) Non-Business Income Allocated to NC [\$]	(-) Percentage Depletion Over Cost Depletion [\$]	(-) Net Taxable Income [\$]	(+) Adjustment for Shareholders Paying Tax on Shares Income [\$]	(=) Taxable Income Attributable to Nonresidents Filing Composite [\$]	(Tax Rates %) Computed Net Income Tax [\$]	(-) Tax Credits [\$]	(=) Net Tax Liability [\$]
NC Taxable Income								
Zero or Negative*	(13,822,730)	10,633,582	(1,736,718,776)	1,643,156,506	(93,562,270)	7,240	-	7,240
Positive, But No Income Attributable to Nonresidents Filing Composite ^a	28,297,666	208,506	5,966,582,715	(5,966,671,861)	(89,146)	124,994	-	124,994
Positive, With Income Attributable to Nonresidents Filing Composite	18,316,995	13,059	485,170,677	(83,891,575)	401,279,102	28,969,438	400,147	28,569,291
Total	32,791,931	10,855,147	4,715,034,616	(4,407,406,930)	307,627,686	29,101,672	400,147	28,701,525

*The Computed Net Income Tax and Net Tax Liability in these categories are 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. Details may not add due to rounding and taxpayer error.

