

# FAILED



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 257

AMENDMENT NO. **A1**  
(to be filled in by  
Principal Clerk)

S257-ANIXfr-11 [v.5]

Page 1 of 2

Amends Title [NO]  
Second Edition

Date \_\_\_\_\_, 2025

Senator MEYER

1 moves to amend the bill on page 439, lines 6-7, by inserting the following between those lines:  
2

3 **"CORPORATE INCOME TAX PHASED INCREASE/FEDERAL REVENUE**  
4 **STABILIZATION TRIGGERS**

5 **SECTION 44.6.** Effective for taxable years beginning on or after January 1, 2025,  
6 G.S. 105-130.3 reads as rewritten:

7 **"§ 105-130.3. Corporations.**

8 (a) Tax. – A tax is imposed on the State net income of every C Corporation doing  
9 business in this State at the rate of four and one-quarter percent (4.25%). An S Corporation  
10 is not subject to the tax levied in this section. ~~The tax is a percentage of the taxpayer's State net~~  
11 ~~income computed as follows:~~

12	<del>Taxable Years Beginning Tax</del>	
13	<del>In 2025</del>	2.25%
14	<del>In 2026</del>	2%
15	<del>In 2028</del>	1%
16	<del>After 2029</del>	0%.

17 (b) Rate Increase Trigger. – Notwithstanding the tax rate set out in subsection (a) of this  
18 section, beginning in the 2024-2025 fiscal year, for any year in which federal funds revenue has  
19 decreased by two hundred million dollars (\$200,000,000) or more on a fiscal year-over-fiscal  
20 year basis, the tax rate for the following and subsequent tax years shall be equal to the lesser of  
21 (i) the prior taxable year's rate increased by one-quarter of one percent (0.25%) or (ii) seven  
22 percent (7%). For purposes of this subsection (i) "federal funds revenue" means total federal  
23 funds revenues as indicated in the Annual Comprehensive Financial Report (Report) published  
24 by the Office of the State Controller, Exhibit B-2, row "Federal funds" and column "Total  
25 Government Funds", as that report may be modified and (ii) "federal funds revenue" does not  
26 include Federal COVID-19 funds."; and

27  
28 by adjusting the appropriate totals accordingly.



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 257

**FAILED**

AMENDMENT NO. **A1**  
(to be filled in by  
Principal Clerk)

S257-ANIXfr-11 [v.5]

Page 2 of 2

SIGNED \_\_\_\_\_  
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_

**The official copy of this document, with signatures  
and vote information, is available in the  
Senate Principal Clerk's Office**