

Income/Franchise:

North Carolina: New PTET-Related Law Changes Define Income Attributable to the State for Individuals the Same as Corporations

H.B. 228, signed by gov. 7/1/24. Effective immediately and applicable retroactively for taxable years beginning on or after January 1, 2023, new law adds definitions for “income attributable to the State” and “income not attributable to the State” under North Carolina’s individual income tax statutes that essentially are identical to those definitions under North Carolina’s corporate income tax statutes. According to accompanying bill notes, these law changes are made pursuant to state law providing that for taxable years beginning on or after January 1, 2023, electing pass-through entities are only required to include each partner’s or shareholder’s share of the entity’s income or loss attributable to North Carolina in its computation of the North Carolina pass-through entity tax (PTET). Please contact us with any questions.

URL: <https://www.ncleg.gov/BillLookup/2023/hb228>

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