



News & Trending

NEWS

BILL NELSON SPEAKS WITH TRIANGLE BUSINESS JOURNAL ABOUT THE 2017 STATE BUDGET

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Triangle Business Journal

In the article, [Across-the-board tax cuts in N.C. budget compromise](#), *Triangle Business Journal's* Danielle Chemtob spoke with Smith Anderson Partner [Bill Nelson](#) about the proposed decreases to corporate and personal income tax rates and what these cuts will mean for North Carolina.

The budget bill proposes a decrease in the corporate tax rate. If approved, North Carolina businesses would see a cut from three percent to 2.5 percent beginning in 2019.

"What the General Assembly is trying to do is basically make the corporate tax irrelevant for people considering moving here," Bill said, explaining that movement away from corporate taxes bodes well for the state's business climate. "For some taxpayers considering moving to North Carolina, 2.5 percent might be as good as a repeal altogether."

Discussing the proposed decrease in personal income tax—from 5.49 percent to 5.25 percent—Bill explained this reduction will couple with the corporate tax rate. "There are a lot of businesses that are pass-through businesses that pay at the personal income tax rate, so bringing that down is good for business," he said.

Now on its way to Governor Cooper's desk, the proposed budget also eliminates the one percent privilege tax on mill machinery and parts, and implements a sales and use tax exemption. "That is a good step in the right direction of eliminating taxes on business-to-business transactions," Bill agreed.

Bill's experience includes tax planning for corporate acquisitions, tax-free reorganizations and divestitures, forming and advising joint ventures and private equity funds, providing tax and business law advice to limited partnerships and limited liability companies, and representing domestic and foreign taxpayers on international tax matters. His principal practice areas are federal and state taxation, mergers and acquisitions, and private equity transactions.

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