



News & Trending
NEWS

SMITH ANDERSON TAX ATTORNEY DISCUSSES FRANCHISE TAX REFORM WITH BLOOMBERG LAW

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Bloomberg Law

In the article, "[North Carolina Senate Passes Franchise Tax Relief Bill](#)," *Bloomberg Law*'s Andrew Ballard reports on the Senate bill ([S.B. 622](#)), which passed on May 20th and will reduce the franchise tax rate among other changes in the state. The bill aligns with some of the provisions in budget bill ([H.B. 966](#)) that passed the House earlier this month.

The piece highlights that one of the North Carolina Chamber's top priorities is to cut the state franchise tax. The current franchise tax levy for most businesses in North Carolina is \$1.50 for every \$1,000 of net worth. The pending bill would lower the tax rate by a third over two years and repeal one of the two alternative franchise tax bases.

Smith Anderson Partner [Bill Nelson](#) commented that the "phased one-third reduction in the franchise tax rate, as the first step towards the expressed goal of its total elimination, as well as the elimination of one of the alternative bases, are consistent with the larger tax reform effort the legislature has pursued over the last several years."

Nelson also noted that the franchise tax reduction "will be at risk in budget negotiations between lawmakers and the governor, which will also involve Medicaid expansion and other issues."

Along with the franchise tax reductions, both [S.B. 622](#) and [H.B. 966](#) would "use market-based sourcing for apportioning multistate corporate income, raise the standard personal income tax deduction, and require online marketplace facilitators to collect and remit sales taxes."

Bill's main legal areas of focus are federal and state taxation, mergers and acquisitions, and private equity transactions. His 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.

To read the full article, click [here](#).

PROFESSIONALS

[William W. Nelson](#)

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