

17 NCAC 05F .0203 ECONOMIC EFFECTS

(a) In proving that a transaction, or series of transactions of which the transaction is a part, has economic effects beyond the creation of State income tax benefits, the taxpayer must show by objective evidence that a reasonable likelihood of material benefit, other than State income tax benefits, from the transaction existed at the time the transaction was initiated and there was a material benefit to the transaction apart from State income tax benefits.

(b) In analyzing whether a transaction has an economic effect, the Secretary shall analyze the economic effect on the taxpayer and on the aggregate economic effect on the parties to the transaction.

History Note: Authority G.S. 105-130.5A; 105-262.1;
Eff. January 31, 2013;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.