

**17 NCAC 05B .1502 COMPUTATION OF TAX WHEN MERGER IS INVOLVED**

- (a) Since franchise tax is prepaid, a special computation is sometimes required to prevent a duplication of tax when two, or more, corporations with different income years merge or otherwise transfer the entire assets from one corporation to the other.
- (b) The surviving corporation shall be allowed to deduct from franchise tax computed on an annual basis the amount of franchise tax paid by the submerged corporation applicable to the period that overlaps the surviving corporation's income year.

*History Note:* Authority G.S. 105-122; 105-262;  
Eff. February 1, 1976;  
Amended Eff. January 1, 1994; October 31, 1981;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.