

17 NCAC 05C .0102 DOING BUSINESS DEFINED

(a) For income tax purposes, the term "doing business" means the operation of any business enterprise or activity in North Carolina for economic gain, including, but not limited to, the following:

- (1) the maintenance of an office or other place of business in North Carolina;
- (2) the maintenance in North Carolina of an inventory of merchandise or material for sale, distribution or manufacture, regardless of whether kept on the premises of the taxpayer or in a public or rented warehouse;
- (3) the selling or distributing of merchandise to customers in North Carolina directly from a company-owned or operated vehicle when title to the merchandise is transferred from the seller or distributor to the customer at the time of the sale or distribution;
- (4) the rendering of a service to clients or customers in North Carolina by agents or employees of a foreign corporation;
- (5) the owning, renting, or operating of business or income-producing property in North Carolina including, but not limited to, the following:
 - (A) Realty;
 - (B) Tangible personal property;
 - (C) Trademarks, tradenames, franchise rights, computer programs, copyrights, patented processes, licenses.

(b) Corporations who are partners in a partnership or joint venture operating in North Carolina are considered to be "doing business".

(c) "Doing business" by an interstate motor carrier is defined as the performance of any of the following business activities in North Carolina:

- (1) The maintenance of an office in the State;
- (2) The operation of a terminal or other place of business in the State;
- (3) Having an employee working out of the office or terminal of another company;
- (4) Dropping off or gathering up shipments in the State.

*History Note: Authority G.S. 105-130.3; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994; November 2, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.*