

**17 NCAC 05C .0908      CORPORATIONS UTILIZING COMMON PAYMASTER**

(a) A parent corporation or any corporation serving as common paymaster for payroll purposes shall eliminate all payroll amounts paid on behalf of controlled members for which it has charged such member the exact cost and which does not meet the definition of compensation insofar as the common paymaster is concerned from the numerator and denominator of its payroll factor computation. The numerator and denominator of the payroll factor shall be determined in accordance with G.S. 105-130.4 after elimination of the described amounts.

(b) A subsidiary or otherwise controlled corporation, which is a member of or participant in a common paymaster plan for payroll purposes, shall include in its numerator and denominator of the payroll factor computation amounts paid to its parent corporation or to another corporation of the controlled group as reimbursement in whatever form and by whatever label for employee's compensation as defined. The amounts paid by the subsidiary or controlled corporation includable in the numerator and the denominator of the payroll factor shall be determined in accordance with G.S. 105-130.4.

*History Note:      Authority G.S. 105-130.4; 105-262;  
Eff. November 1, 1991;  
Amended Eff. January 1, 1994;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19,  
2017.*