

17 NCAC 05F .0206 WHEN STATE INCOME TAX BENEFITS ARE CONSIDERED

(a) State income tax benefits resulting from a transaction are considered by the Secretary in determining whether a transaction has reasonable business purposes and economic substance when the State income tax benefits are consistent with legislative intent, such as when the transaction is made in accordance with laws enacted by the General Assembly to encourage engagement in certain types of activities through tax deductions or tax credits.

(b) When a transaction that generates targeted tax incentives is, in form and substance, consistent with the State income tax benefits designed by the General Assembly, the State income tax benefits shall be considered by the Secretary in determining whether the transaction has reasonable business purposes and economic substance.

*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.*