

**17 NCAC 05G .0505      SECRETARY AUTHORITY TO CHANGE A METHOD OF ASSIGNMENT ON  
A PROSPECTIVE BASIS**

The Secretary may direct a taxpayer to change its method of assigning its receipts in tax returns that have not yet been filed, including changing the taxpayer's method of approximation, if upon reviewing the taxpayer's filing methodology applied in a prior tax year, the Secretary determines that the change reflects a more accurate assignment of the taxpayer's receipts within the meaning of this Subchapter, and determines that the change can be reasonably adopted by the taxpayer. The Secretary shall provide the taxpayer with a written explanation of the reason for making the change. When a taxpayer fails to comply with the Secretary's direction on future returns, the Secretary shall deem the taxpayer's method of assigning its receipts on those returns to be unreasonable, and shall substitute an assignment method that the Secretary determines is reasonable.

*History Note:*      *Authority G.S. 105-130.4; S.L. 2016-94;  
Eff. January 1, 2020 (See S.L. 2019-246, s. 3).*