SECTION .4100 - TAXABLE STATUS OF DISTRIBUTIONS FROM REGULATED INVESTMENT COMPANIES

17 NCAC 06B .4101 GENERAL

(a) Exempt interest dividends paid by a regulated investment company ("mutual fund") to a shareholder and not included in the shareholder's federal adjusted gross income shall be added to adjusted gross income to the extent it represents interest on obligations of states, other than North Carolina, and their political subdivisions.

(b) The total distribution designated as exempt interest dividends by a regulated investment company ("mutual fund") shall be added to adjusted gross income in computing the shareholder's North Carolina taxable income, unless the regulated investment company provides a statement to the shareholder that designates the portion of the exempt interest dividends that represents interest from obligations of the State of North Carolina or its political subdivisions or the United States or its possessions.

History Note: *Authority G.S. 105-153.4; 105-153.5(c)(1); 105-262;*
Eff. June 1, 1990;
Amended Eff. June 1, 1993;
Readopted Eff. May 1, 2016.