

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 73

Short Title: Exempt Tobacco Compensation Payments.

(Public)

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Sponsors: Representatives Baker, Russell (Primary Sponsors); Allred, Arnold, Barbee, Brown, Brubaker, Buchanan, Cansler, Capps, Carpenter, Clary, Creech, Culp, Daughtry, Davis, Decker, Dockham, Eddins, Fox, Gardner, Gillespie, Gulley, Hiatt, Holmes, Howard, Justus, McComas, McCombs, Miner, Mitchell, Morris, Owens, Preston, Rayfield, Sexton, Starnes, Teague, Tolson, Walend, G. Wilson, and Wood.

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Referred to: Finance.

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February 15, 1999

A BILL TO BE ENTITLED

1 AN ACT TO EXEMPT FROM INCOME TAX PAYMENTS MADE TO TOBACCO  
2 FARMERS, TOBACCO WORKERS, ALLOTMENT HOLDERS, AND OTHERS,  
3 AS COMPENSATION FOR THEIR LOSSES, PURSUANT TO THE TOBACCO  
4 SETTLEMENT AND RELATED AGREEMENTS WITH TOBACCO  
5 MANUFACTURERS.  
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7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 105-134.6(b) is amended by adding a new subdivision to read:

9 "(15) The amount paid to the taxpayer during the taxable year directly or  
10 indirectly from one of the following sources to compensate the taxpayer  
11 for harm done to the tobacco industry as a result of tobacco litigation,  
12 federal tobacco legislation, or reduced purchases of tobacco by tobacco  
13 manufacturers:

14 a. The Settlement Reserve Fund created in G.S. 143-16.4.

15 b. The nonprofit corporation created pursuant to consent decree in  
16 the State v. Philip Morris settlement.

1                   c.     A tobacco manufacturer, pursuant to a voluntary agreement with  
2                   the State."

3           Section 2. G.S. 105-130.5(b) is amended by adding a new subdivision to read:

4           "(18) The amount paid to the taxpayer during the taxable year directly or  
5           indirectly from one of the following sources to compensate the taxpayer  
6           for harm done to the tobacco industry as a result of tobacco litigation,  
7           federal tobacco legislation, or reduced purchases of tobacco by tobacco  
8           manufacturers:

9           a.     The Settlement Reserve Fund created in G.S. 143-16.4.

10          b.     The nonprofit corporation created pursuant to consent decree in  
11          the State v. Philip Morris settlement.

12          c.     A tobacco manufacturer, pursuant to a voluntary agreement with  
13          the State."

14          Section 3. This act is effective for taxable years beginning on or after January

15          1, 1999.