

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 1318  
Committee Substitute Favorable 6/3/98

Short Title: Modify Nonresident Withholding.

(Public)

Sponsors:

Referred to:

May 19, 1998

1 A BILL TO BE ENTITLED  
2 AN ACT TO LIMIT THE NONRESIDENT WITHHOLDING REQUIREMENT TO  
3 ATHLETES AND ENTERTAINERS AND TO INCREASE THE THRESHOLD  
4 REQUIREMENT FOR NONRESIDENT WITHHOLDING.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 105-163.1(2) reads as rewritten:

7 "(2) Contractor. – Either of the following:

8 a. A nonresident individual who performs ~~personal services in this~~  
9 State for compensation other than ~~wages.~~ wages any personal  
10 services in connection with a performance, an entertainment, an  
11 athletic event, a speech, or the creation of a film or television  
12 program.

13 b. A nonresident entity that provides for the performance ~~of the~~  
14 ~~following personal services in this State for compensation:~~ services  
15 compensation of any personal services in connection with a  
16 performance, an entertainment, an athletic event, a speech, or the  
17 creation of a film or television program, or the construction or repair  
18 of a building or highway program."

19 Section 2. Section 4 of S.L. 1997-109 is repealed.

1           Section 3. G.S. 105-163.3(a) reads as rewritten:

2           "(a) Requirement. – Every payer who pays a contractor more than ~~six hundred~~  
3 ~~dollars (\$600.00)~~ five thousand dollars (\$5,000) during a calendar year shall deduct and  
4 withhold from compensation paid to a contractor the State income taxes payable by the  
5 contractor on the compensation as provided in this section. The amount of taxes to be  
6 withheld is four percent (4%) of the compensation paid to the contractor. The taxes a  
7 payer withholds are held in trust for the Secretary."

8           Section 4. This act is effective retroactively as of January 1, 1998.  
9 Notwithstanding Sections 1, 2, and 3 of this act, any tax withheld under G.S. 105-163.3  
10 may be repaid to the person from whom the tax was withheld only as provided in G.S.  
11 105-163.3(f).