

H. Banks (G.S. 105-102.3)

1. Scope

An annual privilege tax is imposed upon every bank or banking association, including each national banking association, that is operating in this State as a commercial bank, an industrial bank, a savings bank created other than under Chapter 54B or 54C of the General Statutes or the Home Owners' Loan Act of 1933 (12 U.S.C. §§ 1461-68), a trust company, or any combination of such facilities or services. The annual privilege tax applies whether such bank or banking association, hereinafter referred to as a bank or banks, is organized, under the laws of the United States or the laws of North Carolina, in the corporate form or in some other form of business organization.

2. Report, Tax Basis, and Tax Rate

A report and the privilege tax are due by the first day of July of each year on forms provided by the Secretary. The tax rate is thirty dollars (\$30.00) for each one million dollars (\$1,000,000) or fractional part thereof of total assets held as provided. The assets upon which the tax is levied is determined by averaging the total assets shown in the four quarterly call reports of condition (consolidating domestic subsidiaries) for the preceding calendar year as required by bank regulatory authorities. If a bank has been in operation less than a calendar year, then the assets upon which the tax is levied is determined by multiplying the average of the total assets by a fraction, the denominator of which is 365 and the numerator of which is the number of days of operation.

3. International Banking Facility

If a bank operates an international banking facility, as defined in G.S. 105-130.5(b)(13), the assets upon which the tax is levied will be reduced by the average amount for the taxable year of all assets of the international banking facility which are employed outside the United States, as computed pursuant to G.S. 105-130.5(b)(13)c.

4. Multistate Operations

For an out-of-state bank with one or more branches in this State, or for an in-state bank with one or more branches outside this State, the assets of the out-of-state bank or of the in-state bank upon which the tax is levied will be reduced by the average amount for the taxable year of all assets of the out-of-state bank or of the in-state bank which are employed outside this State. The tax imposed in this section will be for the privilege of carrying on the businesses herein defined on a statewide basis regardless of the number of places or locations of business within the State.