



NCDOR

NORTH
CAROLINA
DEPARTMENT
OF REVENUE

Roy Cooper
Governor

Ronald G. Penny
Secretary

The request of [REDACTED])
[REDACTED] for an alternative method of) ADMINISTRATIVE DECISION
apportionment for income tax purposes for) Number: 2024-01
the tax year ending December 31, 2022.)

This matter was heard before Anthony Edwards, Assistant Secretary for Tax Administration, on May 16, 2024, upon a petition filed on December 27, 2023, by [REDACTED] ("Company") concerning the apportionment of Company's income for 2022 tax year pursuant to G.S. 105-130.4(t1). Company is requesting permission to use an alternative apportionment methodology for income tax purposes.

The Assistant Secretary for Tax Administration presided over the conference held on May 16, 2024 with Brian Puckett, Director of the Corporate Tax Division, Bobby Weaver, Administrative Officer, and participating on behalf of Company were [REDACTED] and [REDACTED] both with [REDACTED]

After review of the request and consideration of evidence, contentions and arguments set forth in the request, the Secretary of Revenue rendered his decision and entered the following order:

IT IS HEREBY ORDERED BY THE SECRETARY OF REVENUE that Company's written request for authorization to use an alternative method of apportionment of its income for North Carolina and, tax purposes for 2022 tax year is denied. The Secretary notes that N.C. Gen. Stat. 105-130.4(t1) establishes a presumption that the statutory method of apportionment is the best method of determining the amount of a corporation's income attributable to its business in this State.

In order to rebut this presumption, a taxpayer has the burden to show that the statutory method of apportionment subjects the taxpayer to tax on a greater portion of its income than is reasonably attributable to its business in this State. Company did not produce clear, cogent and convincing proof that it is entitled to the relief requested; consequently, the Secretary will not grant Company permission to employ an alternate method of apportionment. Company is required to employ the applicable method of apportionment prescribed by North Carolina General Statutes for 2022 tax year.

Made and entered into this the 17th day of September 2024.

Signature

A solid black rectangular box used to redact the signature of Anthony Edwards.

Anthony Edwards
Assistant Secretary, Tax Administration
North Carolina Department of Revenue