

## **SECTION .2400 - DOMESTIC INTERNATIONAL SALES CORPORATION**

### **17 NCAC 05C .2401      DOING BUSINESS ACTIVITIES OF DISC**

A domestic international sales corporation (DISC) is a domestic corporation whose income is derived from export sales. The DISC transacts business by exporting the products of its parent or related companies with the income earned by the DISC deferred for federal income tax purposes. The Tax Reform Act of 1984 left only the interest charge DISC remaining whose tax benefits are limited with an interest charge for tax deferred amounts imposed on DISC shareholders. Since G.S. 105-130.3 imposes an income tax on every corporation unless otherwise exempted, a DISC doing business in this state shall be subject to income tax in this state and subject to the rules in this Subchapter except as provided in this Section.

*History Note:      Authority G.S. 105-130.3; 105-262;  
Eff. December 5, 1976;  
Amended Eff. January 1, 1994;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.*