

REPORT OF STANDING COMMITTEE – House Taxation

MR. SPEAKER:

The Committee on House Taxation respectfully reports that it has had under consideration **HB 1245** and returns the same with the recommendation that said bill be amended as follows:

1245A

On page 1, line 2, of the Introduced bill, after "receipts" insert ", and to exempt guaranteed payments made to partners from the state use tax"

On page 1, after line 9, of the Introduced bill, insert: "

Section 2. That a NEW SECTION be added to chapter 10-46:

Exempt from the provisions of this chapter, and the tax imposed by it, are the gross receipts from any guaranteed payment, as described in 26 U.S.C. § 707(c) (1986), to a partner who is a:

(1) Natural person;

(2) Corporation whose only employees are owners of the corporation; or

(3) Limited liability company that has no employees and is owned by a natural person."

And that as so amended, **HB 1245** do pass.

Respectfully submitted,
/s/ AARON AYLWARD

Aaron Aylward, Chair