

Income/Franchise:

North Carolina: New Law Revises Taxation of Some Captive Insurance Companies

S.B. 347, signed by gov. 6/14/22. New law revises North Carolina's taxation of certain captive insurance companies, providing among other changes that two or more domestic captive insurance companies under common ownership and control "other than a protected cell captive insurance company or a special purpose captive insurance company with a cell or series structure" are taxed as a single captive insurance company for North Carolina purposes. The legislation also permits certain captive insurance companies formed and licensed under the laws of a jurisdiction other than North Carolina that choose to "redomesticate" to North Carolina prior to December 31, 2022, to be exempt from North Carolina premium taxes otherwise due for the remainder of the year and for the calendar year following such redomestication. Please contact us with any questions.

URL: <https://www.ncleg.gov/BillLookup/2021/S347>

— Art Tilley (Charlotte)
Managing Director
Deloitte Tax LLP
atilley@deloitte.com

Joe Garrett (Birmingham)
Managing Director
Deloitte Tax LLP
jogarrett@deloitte.com

John Paek (Atlanta)
Principal
Deloitte Tax LLP
jpaek@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.