

NORTH CAROLINA S - CORPORATION Agreement of Nonresident Shareholder

This agreement is required to be filed on behalf of nonresident shareholders for the first taxable period in which the corporation is recognized as a North Carolina S-Corporation. Additional nonresident shareholders who wish to file individually in North Carolina based upon their pro rata share of income earned from the S - Corporation must, by the due date of their initial S - Corporation return, file a nonresident shareholder agreement.

Shareholder Information

Shareholder SSN: _____

Shareholder Tax Year: _____

Name of Shareholder: _____

Shareholder's Residence Address: _____

City: _____

State: _____ Zip _____

S-Corporation Information

S-Corporation FEIN: _____

S-Corporation Tax Yr: _____

S-Corporation Name: _____

Corporate Address: _____

City: _____

State _____ Zip _____

As a nonresident shareholder of the above-named S-Corporation, I will file and make timely payments of all taxes imposed by North Carolina on my pro rata share of income from the S-Corporation. I hereby consent to personal jurisdiction by the State of North Carolina for purposes of the collection of any unpaid income taxes in connection with my tax return together with related interest and penalties.

This agreement will be binding upon my heirs, representatives, assigns, successors, executors and administrators.

Signature of Shareholder Title or Status

(If shares are jointly owned, each owner must execute a separate agreement)

Affirmation and Agreement of Corporation

I hereby affirm that the above shareholder is a nonresident of North Carolina and is a shareholder of the above named corporation during the taxable year indicated.

Date Signature and Title of Officer

The completed form must be attached to the North Carolina S-Corporation Franchise and Income Tax Return

GENERAL INSTRUCTIONS

- Agreement forms are due to be filed on the 15th day of the third month following the first taxable period for which the S-Corporation becomes subject to the North Carolina S Law provisions.
- An agreement form must be filed by each nonresident shareholder of a North Carolina S-Corporation for each taxable period a nonresident has not previously filed such an agreement.
- Completed forms must be attached and filed with the North Carolina S-Corporation Franchise and Income Tax Return.
- This agreement properly executed will remain valid for subsequent income years if the nonresident status of the shareholder involved remains unchanged.
- Agreement forms must be signed and dated by each shareholder.
- Affirmation of the corporation must be signed and dated by an officer of the corporation.
- The statutory reference for North Carolina S-Corporation law is General Statute 105-131.

NOTE: Failure to file this agreement on behalf of any of its nonresident shareholders will subject the corporation to pay an estimated amount computed at the rates levied in G. S. 105-134.2(a)(3) on the shareholders' pro rata share of income. The rates effective as of January 1, 1991 are as follows:

6% of the first \$12,750
7% of the amount over \$12,750 to \$60,000
7.75% of the amount over \$60,000