

Sec. 12-218-1. Definitions

(a) “Entire net income” means net income apportioned to this state under section 12-218. Only a company which is taxable both within and without this state shall be entitled to apportion its net income to this state. In the case of a company which is not taxable both within and without this state, any reference to its entire net income means its net income.

(b) “Entire net loss” means the excess (of allowable deductions over gross income) apportioned to this state under section 12-218. Only a company which is taxable both within and without this state shall be entitled to apportion its excess (of allowable deductions over gross income) to this state. In the case of a company which is not taxable both within and without this state, any reference to its entire net loss means its excess of allowable deductions over gross income.

(c) The commissioner, in his discretion, may require a company which files its annual return as if it were “taxable both within and without this state” to submit an official ruling from a state (which purportedly has taxing jurisdiction over such company) concerning its jurisdiction to impose a net income tax, a franchise tax for the privilege of doing business or a corporate stock tax on such company. Such an official ruling shall in no event bind the commissioner or be deemed conclusive.

(d) The “principal place of business” of a company is deemed to be within this state if the nerve center from which its officers control and coordinate corporate activities in furtherance of corporate objectives is within this state, or if the location of its overall, active management is within this state.

(e) Interest income and intangible assets are “managed or controlled” by a company within this state if—

(1) an office separate and distinct (if applicable) from the principal place of business of such company and officers of such company, charged with or responsible for the administration of, and the routine corporate activities involving, this particular aspect (interest income and intangible assets) of business operations are within this state; or

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(Effective July 21, 1982)