

North Carolina Statutes

	North Carolina Cooperative Corporation	North Carolina Limited Liability Company
Tax	Taxed as corporation, through Form 1120C, but subchapter T coops (most) have single-level income tax through deductability of patronage allocations, which are taxed only to members. Section 521 (exempt) coops may also deduct <u>non</u> -patronage-sourced income, but are more restrictive.	Taxed as partnership
Capitalization	Common/membership stock and preferred. N.C. S. §4-148. Common stock may only be sold to producers.	No limits; very flexible. §57C-4-01.
Return to Members	8% limit on preferred if §521 or Capper-Volstead co-op.	No limits; per agreement of members. §57C-4-01.
Management	One member/one vote, unless federated. (Then by <u>agreement.</u>) 54-148.	Members can divide management in accordance with Articles and Operating Agreement. 57C-3-20
Members	Only agricultural producers can be members or common stockholders. 54-145.	Flexible.
Securities Law Registration	Largely exempt, under state Blue Sky law. 78A-16, -17.	Some exemptions may apply. 78A-16.
Transfer limits	Limited transferability of common/voting stock. 54-148.	Assignable unless limited by articles/agreement. Other members must allow admission. 57C-5-02,04
Miscellaneous	May do marketing contracts. Antitrust exemption. §54-141,-152.	Cannot name “cooperative.”