

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1239
Finance Committee Substitute Adopted 6/4/98

Short Title: Expand Qualified Business Tax Credit.

(Public)

Sponsors:

Referred to:

May 21, 1998

A BILL TO BE ENTITLED

AN ACT TO REMOVE THE SUNSET FROM THE QUALIFIED BUSINESS TAX CREDIT AND TO INCREASE THE CAP FROM SIX MILLION DOLLARS TO NINE MILLION DOLLARS.

The General Assembly of North Carolina enacts:

Section 1. Section 7 of Chapter 443 of the 1993 Session Laws is repealed.

Section 2. Section 10 of Chapter 443 of the 1993 Session Laws reads as rewritten:

"Sec. 10. Section 6 of this act is effective upon ratification. ~~Section 7 of this act becomes effective for investments made on or after January 1, 1999.~~ The remainder of this act becomes effective for taxable years beginning on or after January 1, 1994.

A business registered as a qualified business venture or a qualified grantee business before January 1, 1994, retains its registration until the renewal date for the registration of that business under Division V of Article 4 of Chapter 105 of the General Statutes as in effect before January 1, 1994. The Secretary of State shall not grant renewal of a registration as a qualified business venture or a qualified grantee business unless at the time of filing the renewal application, the business meets the requirements then in effect for a new registration.

1 Notwithstanding the provisions of G.S. 105-163.014(a), as amended by this act, a
2 credit under Division V of Article 4 of Chapter 105 of the General Statutes for an
3 investment made before January 1, 1994, is not forfeited solely on the grounds that a
4 sibling of the taxpayer provides services for compensation to the business in which the
5 taxpayer invested.

6 Notwithstanding the provisions of G.S. 105-163.014(d), as amended by this act, a
7 credit under Division V of Article 4 of Chapter 105 of the General Statutes for an
8 investment made before January 1, 1994, is not forfeited solely on the grounds that a
9 redemption of the securities received in the investment is made within five years after the
10 investment was made.

11 The Secretary of State may require a qualified business venture or a qualified grantee
12 business that is unable to renew its registration after January 1, 1994, to file reports the
13 Secretary of State considers appropriate to determine the location of the headquarters and
14 principal business operations of the business until three years after the date of the last
15 investment in the business that qualified for the tax credit allowed under Division V of
16 Article 4 of Chapter 105 of the General Statutes."

17 Section 3. G.S. 105-163.012(b) reads as rewritten:

18 "(b) The total amount of all tax credits allowed to taxpayers under G.S. 105-
19 163.011 for investments made in a calendar year may not exceed ~~six million dollars~~
20 ~~(\$6,000,000)~~ nine million dollars (\$9,000,000). The Secretary of Revenue shall calculate
21 the total amount of tax credits claimed from the applications filed pursuant to G.S. 105-
22 163.011(c). If the total amount of tax credits claimed for investments made in a calendar
23 year exceeds ~~six million dollars (\$6,000,000)~~, nine million dollars (\$9,000,000), the
24 Secretary shall allow a portion of the credits claimed by allocating a total of ~~six million~~
25 ~~dollars (\$6,000,000)~~ nine million dollars (\$9,000,000) in tax credits in proportion to the
26 size of the credit claimed by each taxpayer."

27 Section 4. Section 3 of this act is effective for investments made on or after
28 January 1, 1997. The remainder of this act is effective when it becomes law.