

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 386

Short Title: Review Tax Credits Periodically.

(Public)

Sponsors: Senators Kerr; and Hoyle.

Referred to: Finance.

March 12, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR PERIODIC REVIEW AND RENEWAL OF STATE
TAX CREDITS.

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly finds that tax credits are enacted from time to time to encourage or reward behavior that is beneficial to the State. These tax credits are tax expenditures that, like appropriations, spend public funds for the benefit of certain businesses, interest groups, and other taxpayers. Unlike appropriations, however, these tax credits may continue in perpetuity, costing the public millions of dollars each year without periodic review by the General Assembly. In order to allow the General Assembly the opportunity to consider each tax credit on its merits from time to time to determine whether it continues to serve a public purpose that justifies its cost to the public, each tax credit should be sunset every three years. After enactment of this act, those businesses, interest groups, and other taxpayers who benefit from these tax credits are encouraged to demonstrate the continued need for each tax credit. It is the intent of the General Assembly to review these tax credits and renew all that continue to serve a valid public purpose.

SECTION 2.(a) The following sections of Chapter 105 of the General Statutes are repealed effective for costs incurred and investments made during taxable years beginning on or after January 1, 2003:

§ 105-129.35. Credit for rehabilitating an income-producing historic structure.

§ 105-129.36. Credit for rehabilitating a nonincome-producing historic structure.

§ 105-130.25. Credit against corporate income tax for construction of cogenerating power plants.

§ 105-151.6. Credit for construction of a fuel ethanol distillery.

§ 105-130.28. Credit against corporate income tax for construction of a renewable energy equipment facility.

§ 105-130.36. Credit for conservation tillage equipment.

1 § 105-151.13. Credit for conservation tillage equipment.

2 § 105-130.44. Credit for construction of poultry composting facility.

3 § 105-151.25. Credit for construction of a poultry composting facility.

4 § 105-130.45. Credit for manufacturing cigarettes for exportation.

5 **SECTION 2.(b)** The following sections of Chapter 105 of the General
6 Statutes are repealed effective for dwelling units completed during taxable years
7 beginning on or after January 1, 2003:

8 § 105-130.22. Tax credit for construction of dwelling units for handicapped
9 persons.

10 § 105-151.1. Credit for construction of dwelling units for handicapped persons.

11 **SECTION 2.(c)** The following sections of Chapter 105 of the General
12 Statutes are repealed effective for donations made during taxable years beginning on or
13 after January 1, 2003:

14 § 105-130.34. Credit for certain real property donations.

15 § 105-151.12. Credit for certain real property donations.

16 § 105-130.37. Credit for gleaned crop.

17 § 105-151.14. Credit for gleaned crop.

18 § 105-151.26. Credit for charitable contributions by nonitemizers.

19 **SECTION 2.(d)** The following sections of Chapter 105 of the General
20 Statutes are repealed effective for taxable years beginning on or after January 1, 2003:

21 § 105-130.39. Credit for certain telephone subscriber line charges.

22 § 105-130.43. Credit for savings and loan supervisory fees.

23 § 105-151.21. Credit for property taxes paid on farm machinery.

24 § 105-151.27. Credit for child health insurance.

25 § 105-151.28. Credit for premiums paid on long-term care insurance.

26 **SECTION 3.** This act does not affect the rights or liabilities of the State, a
27 taxpayer, or another person arising under a statute repealed by this act before the
28 effective date of its repeal; nor does it affect the right to any refund or credit of a tax
29 that accrued under the repealed statute before the effective date of its repeal.

30 **SECTION 4.** This act becomes effective for taxable years beginning on or
31 after January 1, 2003.