

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE DRH10744-MH-90 (03/25)

Short Title: Conform Low-Income Housing Tax Credits.

(Public)

Sponsors: Representative Gibson.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CONFORM CERTAIN NORTH CAROLINA TAX CREDITS TO THE
3 FEDERAL NEW MARKETS TAX CREDIT.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-129.70 reads as rewritten:

6 "§ 105-129.70 Definitions.

7 The following definitions apply in this Article:

8 (1) Additionally distressed area. – An area that meets one of the criteria in sub-
9 subdivisions a. through c. below, or, if the area is in a census tract with a
10 poverty rate greater than twenty percent (20%), one of the criteria in sub-
11 subdivisions d. through h. below:

12 a. It is in a census tract with poverty rates greater than thirty percent
13 (30%).

14 b. It is in a census tract with, if located within a non-Metropolitan Area,
15 median family income that does not exceed sixty percent (60%) of
16 statewide median family income, or, if located within a Metropolitan
17 Area, median family income that does not exceed sixty percent
18 (60%) of the greater of the statewide median family income or the
19 Metropolitan Area median family income.

20 c. It is in a census tract with an unemployment rate at least 1.5 times the
21 national average.

22 d. It is in a census tract with one of the following: (i) if located within a
23 non-Metropolitan Area, median family income that does not exceed
24 seventy percent (70%) of statewide median family income, or, if
25 located within a Metropolitan Area, median family income that does
26 not exceed seventy percent (70%) of the greater of the statewide
27 median family income or the Metropolitan Area median family
28 income; or (ii) an unemployment rate at least 1.25 times the national
29 average.

30 e. It is a federally designated Empowerment Zone, Enterprise
31 Community, or Renewal Community.

32 f. It is designated by the United States Small Business Administration
33 as a HUB Zone to the extent the development will support businesses
34 that obtain HUB Zone certification from the United States Small
35 Business Administration.



1 g. It is a brownfield site as defined under Part 5 of Article 9 of Chapter
2 130A of the General Statutes.

3 h. It is located in a development tier one or development tier two area
4 as defined by G.S. 143B-437.08, or an urban progress zone as
5 defined by G.S. 143B-437.09.

6 ~~(4)~~(1a) Certified historic structure. – Defined in section 47 of the Code.

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8 **SECTION 2.** G.S. 105-129.71 reads as rewritten:

9 **"§ 105-129.71. Credit for income-producing rehabilitated mill property.**

10 (a) Credit. – A taxpayer who is allowed a credit under section 47 of the Code for
11 making qualified rehabilitation expenditures of at least three million dollars (\$3,000,000) with
12 respect to a certified rehabilitation of an eligible site is allowed a credit equal to a percentage of
13 the expenditures that qualify for the federal credit. The credit may be claimed in the year in
14 which the eligible site is placed into service. When the eligible site is placed into service in two
15 or more phases in different years, the amount of credit that may be claimed in a year is the
16 amount based on the qualified rehabilitation expenditures associated with the phase placed into
17 service during that year. In order to be eligible for a credit allowed by this Article, the taxpayer
18 must provide to the Secretary a copy of the eligibility certification and the cost certification.
19 The amount of the credit is as follows:

20 (1) For an eligible site located in a development tier one or two area, determined
21 as of the date of the eligibility certification, or in an additionally distressed
22 area, the amount of the credit is equal to forty percent (40%) of the qualified
23 rehabilitation expenditures.

24 (2) For an eligible site located in a development tier three area, determined as of
25 the date of the eligibility certification, the amount of the credit is equal to
26 thirty percent (30%) of the qualified rehabilitation expenditures.

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28 **SECTION 3.** G.S. 105-129.72 reads as rewritten:

29 **"§ 105-129.72. Credit for nonincome-producing rehabilitated mill property.**

30 (a) Credit. – A taxpayer who is not allowed a federal income tax credit under section 47
31 of the Code and who makes rehabilitation expenses of at least three million dollars
32 (\$3,000,000) with respect to a certified rehabilitation of an eligible site is allowed a credit equal
33 to a percentage of the rehabilitation expenses. The entire credit may not be taken for the taxable
34 year in which the property is placed in service, but must be taken in five equal installments
35 beginning with the taxable year in which the property is placed in service. When the eligible
36 site is placed into service in two or more phases in different years, the amount of credit that
37 may be claimed in a year is the amount based on the rehabilitation expenses associated with the
38 phase placed into service during that year. In order to be eligible for a credit allowed by this
39 Article, the taxpayer must provide to the Secretary a copy of the eligibility certification and the
40 cost certification. For an eligible site located in a development tier one or two area, determined
41 as of the date of the eligibility certification, or in a census tract that is an additionally distressed
42 area, the amount of the credit is equal to forty percent (40%) of the rehabilitation expenses. No
43 credit is allowed for a site located in a development tier three area.

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45 **SECTION 4.** This act is effective when it becomes law.