

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE DRH70411-MC-196 (04/06)

Short Title: Capital Intensive Corporation Incentive.

(Public)

Sponsors: Representatives Gibson and Wainwright (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ENCOURAGE THE LOCATION AND EXPANSION OF CAPITAL
3 INTENSIVE COMPANIES IN THIS STATE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-130.4 is amended by adding a new subsection to read:

6 "(s1) All apportionable income of a capital intensive corporation shall be apportioned by
7 multiplying the income by the sales factor as determined under subsection (l) of this section. A
8 "capital intensive corporation" is a corporation whose property factor as a percentage of the
9 sum of the factors in the formula set out in subsection (i) of this section, including the doubling
10 of the sales factor, exceeds seventy-five percent (75%)."

11 **SECTION 2.** G.S. 105-130.4(i) reads as rewritten:

12 "(i) All apportionable income of corporations other than public ~~utilities and excluded~~
13 ~~corporations—utilities, excluded corporations, and capital intensive corporations~~ shall be
14 apportioned to this State by multiplying the income by a fraction, the numerator of which is the
15 property factor plus the payroll factor plus twice the sales factor, and the denominator of which
16 is four. ~~Provided, that where~~ If the sales factor does not exist, the denominator of the fraction
17 ~~shall be~~ is the number of existing factors and ~~where~~ if the sales factor exists but the payroll
18 factor or the property factor does not exist, the denominator of the fraction ~~shall be~~ is the
19 number of existing factors plus one."

20 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,
21 2010.

