

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1362*
Finance Committee Substitute Adopted 5/30/90

Short Title: Investments in N.C. Enterprise Corp.

(Public)

Sponsors:

Referred to:

May 23, 1990

A BILL TO BE ENTITLED

AN ACT TO TREAT INVESTMENTS IN A PARTNERSHIP IN WHICH THE NORTH CAROLINA ENTERPRISE CORPORATION IS A GENERAL PARTNER AS AN INVESTMENT IN THE CORPORATION AND TO EXTEND THE TAX CREDIT FOR INVESTMENTS IN AN ENTERPRISE CORPORATION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 53A-46 reads as rewritten:

§ 53A-46. Tax credit.

A person or corporation that invests in the equity securities of a North Carolina Enterprise Corporation may be or in the equity securities of a limited partnership in which the North Carolina Enterprise Corporation is a general partner is entitled to a tax credit as provided in G.S. 105-163.010 through G.S. 105-163.014."

Sec. 2. G.S. 105-163.010(6a) reads as rewritten:

(6a) North Carolina Enterprise Corporation. - A corporation established in accordance with Article 3 of Chapter 53A of the General Statutes or a limited partnership in which the North Carolina Enterprise Corporation is a general partner."

Sec. 3. G.S. 105-163.011(a) reads as rewritten:

(a) Corporations. - Subject to the limitations contained in G.S. 105-163.012, a corporation that invests in the equity securities of a North Carolina Capital Resource Corporation, a North Carolina Enterprise Corporation, or a qualified investment

1 organization is allowed as a credit against the income tax imposed by Division I of this
2 ~~Article or the Article~~, the franchise tax imposed by G.S. 105-116, 105-120.2, and ~~105-~~
3 ~~122-105-122~~, or the gross premiums tax imposed by G.S. 105-228.5 and 105-228.8 for
4 the taxable year an amount equal to twenty-five percent (25%) of the amount invested
5 or seven hundred fifty thousand dollars (\$750,000), whichever is less. The credit may
6 not be taken for the year in which the investment is made but shall be taken for the
7 taxable year beginning during the calendar year following the calendar year in which
8 the investment was made."

9 Sec. 4. G.S. 105-163.012(a) reads as rewritten:

10 "(a) The credit allowed a taxpayer under G.S. 105-163.011 may not exceed the
11 amount of income tax imposed by Division I or II of this ~~Article or by Article~~, the
12 amount of franchise tax imposed by Article 3 of this Chapter, or the amount of gross
13 premiums tax imposed by Article 8B of this Chapter, as appropriate, for the taxable year
14 reduced by the sum of all other credits allowable except tax payments made by or on
15 behalf of the taxpayer. The amount of unused credit allowed under G.S. 105-163.011
16 may be carried forward for the next five succeeding years."

17 Sec. 5. G.S. 147-69.1(c)(6) reads as rewritten:

18 "(6) ~~Obligations or securities of The North Carolina Enterprise Corporation;~~
19 ~~Corporation or of a limited partnership in which The North Carolina~~
20 Enterprise Corporation is a general partner; provided that the
21 investment may not exceed twenty million dollars (\$20,000,000) and
22 that the investment may be made solely from the General Fund and the
23 Highway Fund."

24 Sec. 6. This act is effective for taxable years beginning on or after January 1,
25 1990.