

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1239

Short Title: Expand Qualified Business Tax Credit.

(Public)

Sponsors: Senator Hoyle.

Referred to: Finance.

May 21, 1998

A BILL TO BE ENTITLED

1 AN ACT TO REMOVE THE SUNSET FROM THE QUALIFIED BUSINESS TAX
2 CREDIT AND TO INCREASE THE CAP FROM SIX MILLION DOLLARS TO
3 TWELVE MILLION DOLLARS.
4

5 The General Assembly of North Carolina enacts:

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 Section 7 of Chapter 443 of the 1993 Session Laws is repealed.

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

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

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

19 Notwithstanding the provisions of G.S. 105-163.014(a), as amended by this act, a
20 credit under Division V of Article 4 of Chapter 105 of the General Statutes for an

1 investment made before January 1, 1994, is not forfeited solely on the grounds that a
2 sibling of the taxpayer provides services for compensation to the business in which the
3 taxpayer invested.

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

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

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

16 "(b) The total amount of all tax credits allowed to taxpayers under G.S. 105-
17 163.011 for investments made in a calendar year may not exceed ~~six million dollars~~
18 ~~(\$6,000,000)~~ twelve million dollars (\$12,000,000). The Secretary of Revenue shall
19 calculate the total amount of tax credits claimed from the applications filed pursuant to
20 G.S. 105-163.011(c). If the total amount of tax credits claimed for investments made in a
21 calendar year exceeds ~~six million dollars (\$6,000,000)~~ twelve million dollars
22 (\$12,000,000), the Secretary shall allow a portion of the credits claimed by allocating a
23 total of ~~six million dollars (\$6,000,000)~~ twelve million dollars (\$12,000,000) in tax credits
24 in proportion to the size of the credit claimed by each taxpayer."

25 Section 4. Section 3 of this act becomes effective for taxable years beginning
26 on or after January 1, 1999. The remainder of this act is effective when it becomes law.