

**GENERAL ASSEMBLY OF NORTH CAROLINA
EXTRA SESSION 2004**

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SENATE DRS35518-LY-211A (10/5)

Short Title: Computer Manufacturing Tax Incentives. (Public)

Sponsors: Senators Hoyle, Garrou, Hagan, Dorsett, Clodfelter, and Purcell.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE A TAX CREDIT FOR CERTAIN MAJOR COMPUTER
3 MANUFACTURING FACILITIES AND TO ENHANCE CERTAIN EXISTING
4 TAX INCENTIVES FOR THOSE FACILITIES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Chapter 105 of the General Statutes is amended by adding a
7 new Article to read:

8 "Article 3G.

9 "Tax Incentives for Major Computer Manufacturing Facilities.

10 "**§ 105-129.60. Legislative findings.**

11 The General Assembly finds that:

- 12 (1) It is the policy of the State to stimulate economic activity and to create
13 and maintain sustainable jobs for the citizens of the State in
14 strategically important industries.
- 15 (2) Both short-term and long-term economic trends at the regional, State,
16 national, and international levels have made the successful
17 implementation of the State's economic development policies and
18 programs both more critical and more challenging; in particular,
19 national trade policies and the resulting impact on domestic
20 competitiveness have made the retention of manufacturing jobs more
21 difficult at a time of transition in the national, State, and regional
22 economies.
- 23 (3) Manufacturing employment in the State has been disproportionately
24 affected by trade policies and global economic trends, resulting in the
25 loss of jobs by many in the State's capable industrial workforce.
- 26 (4) Computer manufacturing and distribution has been an important
27 industry for the State and has prospered in this State due to our strong

- 1 and productive workforce, focused worker training programs, research
2 capabilities, tradition of innovation, and concentration of companies.
3 (5) The computer manufacturing and distribution industry will remain a
4 vital part of the world's, nation's, and State's future economy as society
5 becomes more dependent on advanced computer technology.
6 (6) It is the intent of the State to encourage the sustainability of this
7 industry cluster in this State and to encourage the maintenance and
8 growth of computer manufacturing and distribution employment in the
9 State through tax policies, investments in training capacity, and other
10 policies and programs.
11 (7) The State must be an innovative leader in creating policies and
12 programs that encourage the maintenance of manufacturing jobs in this
13 country and State and in the development of efforts to support
14 manufacturers during the transitional period as they adapt to rapidly
15 changing global conditions.

16 **"§ 105-129.61. Definitions.**

17 The following definitions apply in this Article:

- 18 (1) Computer manufacturing. – Defined in G.S. 105-164.14.
19 (2) Facility. – A single building or structure or a group of buildings or
20 structures that are located on a single parcel of land or on contiguous
21 parcels of land under common ownership and any other related real
22 property contained on the parcel or parcels.
23 (3) Full-time job. – A permanent position that requires at least 1,600 hours
24 of work per year and is intended to be held by one employee during
25 the entire year.
26 (4) Increased employment level. – The total number of new full-time jobs
27 and new permanent part-time jobs converted into full-time
28 equivalences created by the taxpayer at the facility with respect to
29 which the credit is claimed, either directly or indirectly through a
30 related entity or strategic partner, as of December 31 as compared to
31 the employment level of the taxpayer as of December 31 in the year in
32 which the taxpayer begins construction of the facility with respect to
33 which the credit is claimed or as of the date the Secretary makes the
34 written determination required under G.S. 105-129.62, whichever is
35 earlier. Jobs transferred from one area in the State to another area in
36 the State are not considered new jobs for the purposes of this Article
37 and may not be included in the increased employment level.
38 (5) Related entity. – An entity for which the taxpayer possesses directly or
39 indirectly at least eighty percent (80%) of the control and value.
40 (6) Strategic partner. – A business that is engaged in activities at the
41 facility that directly contribute to the manufacture and distribution of
42 computers and computer peripherals and with whom the taxpayer has
43 contracted to provide those activities at the facility in direct support of
44 its manufacturing and distribution activities.

1 (7) Successor in business. – A corporation that through amalgamation,
2 merger, acquisition, consolidation, or other legal succession becomes
3 invested with the rights and assumes the burdens of the predecessor
4 corporation and continues the computer manufacturing and distribution
5 business.

6 (8) Unit output. – The total number of computers and computer
7 peripherals produced, assembled, or manufactured at the facility
8 during the taxable year.

9 **§ 105-129.62. Eligibility.**

10 (a) Determination by Secretary of Commerce. – A taxpayer is eligible for the
11 credit allowed under this Article with respect to a facility in this State only if the
12 Secretary of Commerce makes a written determination that the taxpayer has or is
13 expected to have an increased employment level at the facility of at least 1,200 within
14 five years after the time that the facility is first used as a computer manufacturing and
15 distribution facility and that the taxpayer, either directly or indirectly through a related
16 entity or strategic partner, has invested or is expected to invest at least one hundred
17 million dollars (\$100,000,000) in private funds to construct a computer manufacturing
18 and distribution facility over a five-year period. For the purposes of this Article, costs of
19 construction may include costs of acquiring and improving land for the facility, costs for
20 renovations or repairs to existing buildings, and costs of equipping or reequipping the
21 facility.

22 (b) Health Insurance. – A taxpayer is eligible for the credit allowed under this
23 Article with respect to a facility in this State only if the taxpayer and the taxpayer's
24 related entities and strategic partners whose employees are included in the taxpayer's
25 increased employment level provide health insurance for all of the full-time jobs at the
26 facility with respect to which the credit is claimed each year it claims a credit or
27 carryforward of a credit. For the purposes of this subsection, an entity provides health
28 insurance if it pays at least fifty percent (50%) of the premiums for health care coverage
29 that equals or exceeds the minimum provisions of the basic health care plan of coverage
30 recommended by the Small Employer Carrier Committee pursuant to G.S. 58-50-125.

31 Each year that a taxpayer claims a credit or carryforward of a credit allowed under
32 this Article, the taxpayer must provide with the tax return the taxpayer's certification
33 that the taxpayer and the taxpayer's related entities and strategic partners whose
34 employees are included in the taxpayer's increased employment level continue to
35 provide health insurance for all the full-time jobs at the facility with respect to which
36 the credit is claimed. If the taxpayer, or a related entity or strategic partner of the
37 taxpayer whose employees are included in the increased employment level of the
38 taxpayer, ceases to provide health insurance for the jobs during a taxable year, the credit
39 expires and the taxpayer may not take any remaining carryforward of the credit.

40 (c) Environmental Impact. – A taxpayer is eligible for the credit allowed under
41 this section with respect to a facility in this State only if as of the last day of the taxable
42 year for which a credit or carryforward is claimed the taxpayer and the taxpayer's
43 related entities and strategic partners whose employees are included in the taxpayer's
44 increased employment level have no pending administrative, civil, or criminal

1 enforcement actions based on alleged significant violations of any program
2 implemented by an agency of the Department of Environment and Natural Resources,
3 and have had no final determination of responsibility for any significant administrative,
4 civil, or criminal violation of any program implemented by an agency of the Department
5 of Environment and Natural Resources within the last five years. For the taxpayer's
6 related entities and strategic partners, this subsection applies only to the activities of the
7 related entity or strategic partner at the facility with respect to which a credit is claimed.
8 A significant violation is a violation or alleged violation that does not satisfy any of the
9 conditions of G.S. 143-215.6B(d). Upon request, the Secretary of Environment and
10 Natural Resources must notify the Department of Revenue of whether a person
11 currently has any of these pending actions or has had any of these final determinations
12 within the last five years.

13 (d) Safety and Health Programs. – A taxpayer is eligible for the credit allowed
14 under this section with respect to a facility in this State only if as of the last day of the
15 taxable year for which a credit or carryforward is claimed the taxpayer and the
16 taxpayer's related entities and strategic partners whose employees are included in the
17 taxpayer's increased employment level have no citations under the Occupational Safety
18 and Health Act at the facility with respect to which the credit is claimed that have
19 become a final order within the past three years for willful serious violations or for
20 failing to abate serious violations. For the purposes of this subsection, 'serious violation'
21 has the same meaning as in G.S. 95-127. Upon request, the Secretary of Labor must
22 notify the Department of Revenue of whether a person has had these citations become
23 final orders within the past three years.

24 (e) Overdue Tax Debts. – A taxpayer is eligible for the credit allowed under this
25 section with respect to a facility only if as of the last day of the taxable year for which a
26 credit or carryforward is claimed the taxpayer and the taxpayer's related entities and
27 strategic partners whose employees are included in the taxpayer's increased employment
28 level have no overdue tax debts that have not been satisfied or otherwise resolved.

29 (f) Relationship With Related Entities and Strategic Partners. – A taxpayer must
30 obtain the written consent of related entities and strategic partners to include jobs
31 created by those entities in the taxpayer's increased employment level. If a taxpayer fails
32 to obtain this written consent, the taxpayer may not include jobs created by the
33 applicable business in its increased employment level. This consent, once granted, is
34 irrevocable. A job may not be included in the increased employment level of more than
35 one entity. The taxpayer is responsible for providing all information needed to verify
36 eligibility for the credit, including information relating to the related entities or strategic
37 partners of the taxpayer.

38 **"§ 105-129.63. Determination by the Secretary of Commerce.**

39 The taxpayer must apply to the Secretary of Commerce for the determination
40 required under G.S. 105-129.62. The application must be made under oath and must
41 provide any information the Secretary requires in order to make the determination. The
42 determination by the Secretary of Commerce is a factual determination. The Secretary
43 must make this determination in any case in which the taxpayer can demonstrate
44 performance or can provide a credible plan for performance.

1 If the taxpayer fails to create the required number of new jobs or to make the
 2 required investment, the information provided by the taxpayer on the application proves
 3 to have been false at the time it was given, and the person making the application knew
 4 or should have known that the information was false, the taxpayer forfeits any credits
 5 claimed under this Article with respect to the facility. A taxpayer that forfeits a credit
 6 under this section is liable for all past taxes avoided as a result of the credit plus interest
 7 at the rate established under G.S. 105-241.1(i), computed from the date the taxes would
 8 have been due if the credit had not been allowed. The past taxes and interest are due 30
 9 days after the date the credit is forfeited; a taxpayer that fails to pay the past taxes and
 10 interest by the due date is subject to the penalties provided in G.S. 105-236.

11 **"§ 105-129.64. Credit for major computer manufacturing facilities.**

12 (a) General Credit. – A taxpayer that meets the eligibility requirements of
 13 G.S. 105-129.62 is eligible for a credit against the taxes imposed by Articles 3 and 4 of
 14 this Chapter. For taxable years beginning with the 2006 taxable year, the amount of the
 15 credit allowable in a year is determined based on the taxable year, the unit output of the
 16 facility, the production factor, and the increased employment level at the facility in the
 17 current taxable year and previous taxable years.

18 (b) 2005 Taxable Year. – For taxable years beginning on or after January 1,
 19 2005, but before January 1, 2006, the amount of the credit is equal to ten million dollars
 20 (\$10,000,000) if the taxpayer, either directly or through a related entity, has invested at
 21 least twenty-five million dollars (\$25,000,000) in private funds by the end of the taxable
 22 year to construct a computer manufacturing and distribution facility in this State.

23 (c) 2006-2009 Taxable Years. – For taxable years beginning on or after January
 24 1, 2006, but before January 1, 2010, the maximum amount of the credit is ten million
 25 dollars (\$10,000,000). The amount of the credit that may be claimed is determined by
 26 multiplying the employment level adjustment factor by the lesser of ten million dollars
 27 (\$10,000,000) and the product of the unit output of the facility and the applicable
 28 production factor listed in subsection (f) of this section. For the purposes of this
 29 subsection, the employment level adjustment factor is the lesser of one and the number
 30 derived by dividing the taxpayer's increased employment level for the year by the
 31 applicable target increased employment level provided in the table below:

<u>Year</u>	<u>Target Increased Employment Level</u>
<u>2006</u>	<u>600</u>
<u>2007</u>	<u>1,000</u>
<u>2008</u>	<u>1,100</u>
<u>2009</u>	<u>1,500</u>

37 (d) 2010-2014 Taxable Years. – For taxable years beginning on or after January
 38 1, 2010, but before January 1, 2015, the maximum amount of the credit is fifteen
 39 million dollars (\$15,000,000) if the taxpayer has in any year attained an increased
 40 employment level of 1,500. Otherwise the maximum amount of the credit is ten million
 41 dollars (\$10,000,000). The amount of the credit is determined as follows:

- 42 (1) If the taxpayer has ever attained an increased employment level of at
 43 least 1,500, the amount of the credit that may be claimed is the lesser
 44 of fifteen million dollars (\$15,000,000) and the amount determined by

1 multiplying the unit output of the facility by the applicable production
2 factor listed in subsection (f) of this section. If the taxpayer's increased
3 employment level has decreased by more than forty percent (40%)
4 from that of the previous taxable year, the amount of the credit that
5 may be claimed must be reduced by multiplying the amount
6 determined under this subdivision by a fraction, the numerator of
7 which is the taxpayer's increased employment level for the taxable
8 year and the denominator of which is 1,500.

9 (2) If the taxpayer has never attained an increased employment level of at
10 least 1,500, the amount of the credit that may be claimed is equal to
11 the employment level adjustment factor multiplied by the lesser of ten
12 million dollars (\$10,000,000) and the product of the unit output of the
13 facility and the applicable production factor listed in subsection (f) of
14 this section. For the purposes of this subdivision, the employment level
15 adjustment factor is the lesser of one and the number derived by
16 dividing the taxpayer's increased employment level for the year by
17 1,500.

18 (e) 2015-2019 Taxable Years. – For taxable years beginning on or after January
19 1, 2015, but before January 1, 2020, the maximum amount of the credit is twenty
20 million dollars (\$20,000,000) if the taxpayer has in any year attained an increased
21 employment level of 2,500. If the taxpayer has in any year attained an increased
22 employment level of at least 1,500, but in no year has attained an increased employment
23 level of at least 2,500, the maximum amount of the credit is fifteen million dollars
24 (\$15,000,000). Otherwise the maximum amount of the credit is ten million dollars
25 (\$10,000,000). The amount of the credit is determined as follows:

26 (1) If the taxpayer has ever attained an increased employment level of at
27 least 2,500 and the taxpayer's increased employment level for the
28 current year is at least 1,500, the amount of the credit is the lesser of
29 twenty million dollars (\$20,000,000) and the amount determined by
30 multiplying the unit output of the facility by the applicable production
31 factor listed in subsection (f) of this section.

32 (2) If the taxpayer has ever attained an increased employment level of at
33 least 1,500 but has never attained an increased employment level of at
34 least 2,500, or if the taxpayer has ever attained an increased
35 employment level of at least 2,500 and the taxpayer's current increased
36 employment level is less than 1,500, the amount of the credit that may
37 be claimed is the lesser of fifteen million dollars (\$15,000,000) and the
38 amount determined by multiplying the unit output of the facility by the
39 applicable production factor listed in subsection (f) of this section. If
40 the taxpayer's increased employment level has decreased by more than
41 forty percent (40%) from that of the previous taxable year and (i) the
42 increased employment level of the previous year was 1,500 or less or
43 (ii) the increased employment level of the current year is 900 or less,
44 the amount of the credit that may be claimed must be reduced by

1 multiplying the amount determined under this subdivision by a
2 fraction, the numerator of which is the taxpayer's increased
3 employment level for the taxable year and the denominator of which is
4 1,500.

5 (3) If the taxpayer has never attained an increased employment level of at
6 least 1,500, the amount of the credit that may be claimed is equal to
7 the employment level adjustment factor multiplied by the lesser of ten
8 million dollars (\$10,000,000) and the product of the unit output of the
9 facility and the applicable production factor listed in subsection (f) of
10 this section. For the purposes of this subdivision, the employment level
11 adjustment factor is the lesser of one and the number derived by
12 dividing the taxpayer's employment level for the year by 1,500.

13 (f) Production Factor. – For taxable years beginning on or after January 1, 2006,
14 but before January 1, 2007, the production factor is fifteen dollars (\$15.00). For all other
15 taxable years, the production factor is six dollars and twenty-five cents (\$6.25).

16 (g) Expiration. – If the taxpayer fails to attain an increased employment level of
17 at least 1,200, either directly or in conjunction with its strategic partners and related
18 entities, within five years after beginning construction of the facility with respect to
19 which a credit is claimed or the taxpayer fails to invest at least one hundred million
20 dollars (\$100,000,000) in private funds to construct a computer manufacturing and
21 distribution facility over a five-year period, the taxpayer may not take any further
22 credits under this Article with respect to that facility. Failure to attain an increased
23 employment level of 1,200 within the five years or to invest at least one hundred million
24 dollars (\$100,000,000) in private funds to construct the facility does not result in
25 forfeiture of credits previously taken under this section unless the provisions of
26 G.S. 105-129.63 apply.

27 **"§ 105-129.65. Allocation; cap; makeup; and carryforward.**

28 (a) Allocation. – The credit allowed by this Article may be taken against the
29 franchise taxes levied under Article 3 of this Chapter and the income taxes levied under
30 Article 4 of this Chapter. When the taxpayer claims a credit under this Article, the
31 taxpayer must elect the percentage of the credit to be applied against the taxes levied
32 under Article 3 of this Chapter with any remaining percentage to be applied against the
33 taxes levied under Article 4 of this Chapter. This election is not binding for the year in
34 which it is made or for any carryforwards of that credit. A taxpayer may elect a different
35 allocation for each year in which the taxpayer qualifies for a credit.

36 (b) Cap. – The amount of credit claimed in a taxable year under this Article may
37 not exceed the lesser of the amount determined under G.S. 105-129.64 and the total
38 amount of tax imposed under Articles 3 and 4 of this Chapter, reduced by the sum of all
39 other credits allowed against those taxes, except tax payments made by or on behalf of
40 the taxpayer. Credits that may eliminate only a portion of the taxpayer's liability must be
41 taken before credits that may eliminate all of a taxpayer's liability, which in turn must
42 be taken before any credits that are refundable. This limitation applies to the cumulative
43 amount of the credit allowed in any tax year, including carryforwards claimed by the
44 taxpayer under this Article for previous tax years.

1 (c) Makeup. – In any year in which the amount of the credit calculated based on
2 output exceeds the applicable cap under G.S. 105-129.64, the excess credit may be
3 credited to a make up account. Amounts credited to the make up account may remain in
4 the account for seven years or until they are used as provided in this subsection,
5 whichever is earlier. In any year in which the amount of the credit calculated based on
6 output is less than the applicable cap under G.S. 105-129.64, the taxpayer may increase
7 the credit allowed for that taxable year to the cap amount, as adjusted by any applicable
8 employment level adjustment factor, by using excess credit available in the make up
9 account. A successor in business may take the amounts available in a make up account
10 of a predecessor corporation as if they were excess credits available in a make up
11 account of the successor in business.

12 (d) Carryforward. – Any unused portion of a credit allowed under this Article
13 may be carried forward for the next succeeding 25 years. A successor in business may
14 take the carryforwards of a predecessor corporation as if they were carryforwards of a
15 credit allowed to the successor in business.

16 **"§ 105-129.66. Sunset.**

17 This Article is repealed for business activities occurring in taxable years beginning
18 on or after January 1, 2020."

19 **SECTION 2.** G.S.105-129.4 is amended by adding a new subsection to read:

20 "(b7) Major Computer Facilities. – A taxpayer that is otherwise eligible for a tax
21 credit under this Article and who satisfies the conditions of G.S. 105-129.62 is eligible
22 for the major computer facility enhancements provided for credits under this Article.
23 The major computer facility enhancements are the following:

- 24 (1) The wage standard requirement does not apply to the activities of the
25 taxpayer at the major computer facility.
- 26 (2) For the credit for creating jobs under G.S. 105-129.8, the amount of
27 the credit is increased by four thousand dollars (\$4,000) per job for
28 jobs at the major computer facility.
- 29 (3) For the credit for investment in machinery and equipment under
30 G.S. 105-129.9, the applicable percentage is seven percent (7%) and
31 the applicable threshold is zero dollars (\$0.00) regardless of the
32 enterprise tier designation of the county in which the major computer
33 facility is located.
- 34 (4) For the credit for worker training under G.S. 105-129.11, the
35 maximum amount of the credit per worker trained is one thousand
36 dollars (\$1,000) regardless of the enterprise tier designation of the
37 county in which the major computer facility is located.
- 38 (5) For the credit for substantial investment in other property under
39 G.S. 105-129.12A, the taxpayer is eligible for the credit regardless of
40 the enterprise tier designation of the county in which the major
41 computer facility is located."

42 **SECTION 3.** G.S. 105-164.14(j)(2) and (3) read as rewritten:

- 43 (2) Eligibility. – A facility is eligible under this subsection if it meets both
44 of the following conditions:

- 1 a. It is primarily engaged in one of the industries listed in this
2 subsection.
- 3 b. The Secretary of Commerce has certified that the owner of the
4 facility will invest at least the required amount of private funds
5 to construct the facility in this State. For the purpose of this
6 subsection, costs of construction may include costs of acquiring
7 and improving land for the facility and costs of equipment for
8 the facility. If the facility is located in an enterprise tier one,
9 two, or three area as defined in G.S. 105-129.3, the required
10 amount is fifty million dollars (\$50,000,000). For all other
11 facilities, the required amount is one hundred million dollars
12 (\$100,000,000). In the case of a computer manufacturing
13 facility, the owner may invest these funds either directly or
14 indirectly through a related entity or strategic partner as those
15 terms are defined in G.S. 105-129.61. In the case of a computer
16 manufacturing facility, the term 'facility' has the same meaning
17 as under G.S. 105-129.61.
- 18 (3) Industries. – This subsection applies to the following industries:
- 19 a. Aircraft manufacturing. Aircraft manufacturing means
20 manufacturing or assembling complete aircraft.
- 21 b. Bioprocessing. Bioprocessing means biomanufacturing or
22 processing that includes the culture of cells to make commercial
23 products, the purification of biomolecules from cells, or the use
24 of these molecules in manufacturing.
- 25 d. Computer manufacturing. Computer manufacturing means
26 manufacturing or assembling electronic computers, such as
27 personal computers, workstations, laptops, and computer
28 servers. The term includes the assembly or integration of
29 processors, coprocessors, memory, storage, and input/output
30 devices into a user-programmable final product. The term ~~does~~
31 ~~not include~~ includes manufacturing or assembling computer
32 peripheral equipment, such as storage devices, printers,
33 monitors, input/output devices, and ~~terminals~~ terminals only if
34 the manufacture or assembly of this peripheral equipment
35 occurs at a facility or campus at which the taxpayer also
36 manufactures or assembles electronic computers.
- 37 g. Motor vehicle manufacturing. Motor vehicle manufacturing
38 means any of the following:
- 39 1. Manufacturing complete automobiles and light-duty
40 motor vehicles.
- 41 2. Manufacturing heavy-duty truck chassis and assembling
42 complete heavy-duty trucks, buses, heavy-duty motor
43 homes, and other special purpose heavy-duty motor
44 vehicles for highway use.

1 3. Manufacturing complete military armored vehicles,
 2 nonarmored military universal carriers, combat tanks,
 3 and specialized components for combat tanks.

4 j. Pharmaceutical and medicine manufacturing and distribution of
 5 pharmaceuticals and medicines. Pharmaceutical and medicine
 6 manufacturing means any of the following:

7 1. Manufacturing biological and medicinal products. For
 8 the purpose of this sub-subdivision, a biological product
 9 is a preparation that is synthesized from living organisms
 10 or their products and used medically as a diagnostic,
 11 preventive, or therapeutic agent. For the purpose of this
 12 sub-subdivision, bacteria, viruses, and their parts are
 13 considered living organisms.

14 2. Processing botanical drugs and herbs by grading,
 15 grinding, and milling.

16 3. Isolating active medicinal principals from botanical
 17 drugs and herbs.

18 4. Manufacturing pharmaceutical products intended for
 19 internal and external consumption in forms such as
 20 ampoules, tablets, capsules, vials, ointments, powders,
 21 solutions, and suspensions.

22 m. Semiconductor manufacturing. Semiconductor manufacturing
 23 means development and production of semiconductor material,
 24 devices, or components."

25 **SECTION 4.** G.S. 105-259(b) is amended by adding a new subdivision to

26 read:

27 "(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State
 28 who has access to tax information in the course of service to or employment by the State
 29 may not disclose the information to any other person unless the disclosure is made for
 30 one of the following purposes:

- 31 ...
 32 (30) To verify with a related entity or strategic partner information relating
 33 to that entity provided by a taxpayer claiming a credit under Article 3G
 34 of this Chapter."

35 **SECTION 5.** Section 3 of this act becomes effective January 1, 2005, and
 36 applies to sales made on or after that date. The remainder of this act is effective for
 37 business activities occurring on or after November 1, 2004, and for taxable years
 38 beginning on or after January 1, 2005.