

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1598*
Committee Substitute Favorable 6/12/07
Third Edition Engrossed 6/13/07

Short Title: Extend Qualified Business Venture Tax Credit. (Public)

Sponsors:

Referred to:

April 19, 2007

A BILL TO BE ENTITLED

1 AN ACT TO EXTEND THE SUNSET ON THE TAX CREDITS FOR QUALIFIED
2 BUSINESS INVESTMENTS AND TO CLARIFY HOW THE CREDIT CAP FOR
3 INDIVIDUALS APPLIES TO MARRIED COUPLES.
4

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-163.015 reads as rewritten:

7 "**§ 105-163.015. Sunset.**

8 This Part is repealed effective for investments made on or after January 1,
9 ~~2008-2011.~~"

10 **SECTION 2.** G.S. 105-163.011(b) reads as rewritten:

11 "(b) Individuals. – Subject to the limitations contained in G.S. 105-163.012, an
12 individual who purchases the equity securities or subordinated debt of a qualified
13 business directly from that business is allowed as a credit against the tax imposed by
14 Part 2 of this Article for the taxable year an amount equal to twenty-five percent (25%)
15 of the amount invested. The aggregate amount of credit allowed an individual for one or
16 more investments in a single taxable year under this Part, whether directly or indirectly
17 as owner of a pass-through entity, may not exceed fifty thousand dollars (\$50,000). In
18 the case of an investment made by a married couple, if both spouses are required to file
19 North Carolina income tax returns, the credit allowed by this section may be claimed
20 only if the spouses file a joint return. The aggregate amount of credit allowed to a
21 husband and wife filing a joint tax return may not exceed one hundred thousand dollars
22 (\$100,000). If only one spouse is required to file a North Carolina income tax return,
23 that spouse may claim the credit allowed by this section on a separate return. The credit
24 may not be taken for the year in which the investment is made but shall be taken for the
25 taxable year beginning during the calendar year in which the application for the credit
26 becomes effective as provided in subsection (c) of this section."

27 **SECTION 3.** Section 2 of this act is effective for investments made on or
28 after January 1, 2007. The remainder of this act is effective when it becomes law.