

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 2509

Short Title: Video Game Production Tax Credits. (Public)

Sponsors: Representative Gibson.

Referred to: Finance.

May 26, 2008

A BILL TO BE ENTITLED
AN ACT TO ADD PRODUCERS OF DIGITAL INTERACTIVE MEDIA TO THE
INDUSTRIES ELIGIBLE FOR TAX CREDITS FOR GROWING BUSINESSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-129.81 reads as rewritten:

"§ 105-129.81. (See notes) Definitions.

The following definitions apply in this Article:

...

(8a) Digital interactive media. – Products, other than interpersonal communications services such as videoconferencing, wireless communications, text-based channels, or chat rooms, that are intended for commercial use or distribution and that satisfy each of the following conditions:

- a. The product is produced for distribution on electronic media, including file downloads over the Internet.
- b. The product contains a computer-controlled virtual universe with which users may interact in order to achieve a goal.
- c. The product contains an appreciable amount of at least three of the five following types of data: text, sound, fixed images, animated images, or 3D geometry.

...."

SECTION 2. G.S. 105-129.83(a) reads as rewritten:

"(a) **Eligible Business.** – A taxpayer is eligible for a credit under this Article only with respect to activities occurring at an establishment whose primary activity is listed in this subsection. The primary activity of an establishment is determined based on the establishment's principal product or group of products produced or distributed, or services rendered.

- (1) Air courier services hub.
- (2) Aircraft maintenance and repair.

- 1 (3) Company headquarters, but only if the additional eligibility
- 2 requirements of subsection (b) of this section are satisfied.
- 3 (4) Customer service call centers.
- 4 (4a) Digital interactive media production or design.
- 5 (5) Electronic shopping and mail order houses.
- 6 (6) Information technology and services.
- 7 (7) Manufacturing.
- 8 (8) Motorsports facility.
- 9 (9) Motorsports racing team.
- 10 (10) Research and development.
- 11 (11) Warehousing.
- 12 (12) Wholesale trade."
- 13 **SECTION 3.** This act is effective for taxable years beginning on or after
- 14 January 1, 2008.