

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1868
Committee Substitute Favorable as Amended - Engrossed 6/26/89
Committee Substitute #2 Favorable 7/20/89

Short Title: N.C. Ports Tax Incentive.

(Public)

Sponsors:

Referred to:

May 10, 1989

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A TAX CREDIT FOR THE USE OF NORTH CAROLINA PORTS.

Whereas, the State of North Carolina ranks first in the Southeast in exporting; and

Whereas, the North Carolina State Ports Authority serves hundreds of industries and businesses in North Carolina by moving over 8 million tons of cargo from its ports on an annual basis; and

Whereas, seventy percent (70%) of the State's imports and exports are shipped from ports outside the State; and

Whereas, the State Ports at Wilmington and Morehead City have the capacity to accommodate additional vessel calls and cargo; and

Whereas, the increased use of the State's seaports would enhance and accelerate economic development in the State; Now, therefore, The General Assembly of North Carolina enacts:

Section 1. Article IV, Schedule D, Division I of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-130.41. Credit for North Carolina State Ports Authority wharfage and handling charges.

(a) Any corporation utilizing the deepwater docks at the Wilmington or Morehead City ports for the import or export of cargo that is loaded on or unloaded from an ocean carrier calling at either port shall be allowed a credit against the tax

1 imposed by this Division. The credit shall be equal to the excess of the charges paid by
2 the corporation on processed cargo for the current taxable year over an amount equal to
3 the average of the charges paid by the corporation on processed cargo for the current
4 taxable year and the two preceding taxable years. The credit shall apply to the
5 following charges on processed cargo assessed by the Ports Authority: wharfage or
6 through put, whichever is applicable, and handling charges. This credit may not exceed
7 fifty percent (50%) of the amount of tax imposed by this Division for the taxable year
8 reduced by the sum of all credits allowable under this Division, except tax payments
9 made by or on behalf of the corporation. If the credit allowed by this section exceeds
10 fifty percent (50%) of the tax imposed under this Division, the excess may be carried
11 forward and applied to the tax imposed under this Division for the succeeding five
12 years. To obtain the credit, a corporation shall provide to the Secretary of Revenue a
13 statement from the State Ports Authority certifying the amount of charges paid by the
14 corporation for which a credit is claimed and any other information required by the
15 Secretary to enable the Secretary to determine the amount of credit due the corporation.
16 The maximum cumulative credit that may be claimed by any corporation under this
17 section may not exceed one hundred thousand dollars (\$100,000).

18 (b) For purposes of this section, the terms 'handling' and 'wharfage' shall have
19 the meaning as defined in the State Ports Tariff Publications, 'Wilmington Tariff,
20 Terminal Tariff #6,' and 'Morehead City Tariff, Terminal Tariff #1.' For purposes of
21 this section, the term 'through put' shall have the same meaning as 'wharfage' but is
22 applicable only to bulk products, both dry and liquid."

23 Sec. 2. Article IV, Schedule B, Division II of Chapter 105 of the General
24 Statutes is amended by adding a new section to read:

25 "**§ 105-151.18. Credit for North Carolina State Ports Authority wharfage and**
26 **handling charges.**

27 (a) Any person utilizing the deepwater docks at the Wilmington or Morehead
28 City ports for the import or export of cargo that is loaded on or unloaded from an ocean
29 carrier calling at either port shall be allowed a credit against the tax imposed by this
30 Division. The credit shall be equal to the excess of the charges paid by the taxpayer on
31 processed cargo for the current taxable year over an amount equal to the average of the
32 charges paid by the taxpayer on processed cargo for the current taxable year and the two
33 preceding years. The credit shall apply to the following charges on processed cargo
34 assessed by the Ports Authority: wharfage or through put, whichever is applicable, and
35 handling charges. This credit may not exceed fifty percent (50%) of the amount of tax
36 imposed by this Division for the taxable year reduced by the sum of all credits
37 allowable under this Division, except tax payments made by or on behalf of the
38 taxpayer. If the credit allowed by this section exceeds fifty percent (50%) of the tax
39 imposed under this Division, the excess may be carried forward and applied to the tax
40 imposed under this Division for the succeeding five years. To obtain the credit, the
41 taxpayer shall provide to the Secretary of Revenue a statement from the State Ports
42 Authority certifying the amount of charges paid by the taxpayer for which a credit is
43 claimed and any other information required by the Secretary to enable the Secretary to
44 determine the amount of credit due the taxpayer. The maximum cumulative credit that

1 may be claimed by any taxpayer under this section may not exceed one hundred
2 thousand dollars (\$100,000).

3 (b) For purposes of this section, the terms 'handling' and 'wharfage' shall have
4 the meaning as defined in the State Ports Tariff Publications, 'Wilmington Tariff,
5 Terminal Tariff #6,' and 'Morehead City Tariff, Terminal Tariff #1.' For purposes of
6 this section, the term 'through put' shall have the same meaning as 'wharfage' but is
7 applicable only to bulk products, both dry and liquid."

8 Sec. 3. This act is effective for taxable years beginning on or after January 1,
9 1990.