

NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1944

SHORT TITLE: Modify Ports Tax Credit

SPONSOR(S): Representative Redwine

FISCAL IMPACT: **Expenditures:** Increase () Decrease ()
 Revenues: Increase () Decrease (X)
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: General Fund (X) Highway Fund () Local Govt. ()
 Other Funds ()

BILL SUMMARY:

The proposed act allows an exporter utilizing North Carolina Ports to take the existing tax credit independent of which entity, (exporter or importer), pays the freight charges. Under current law in order for the exporter to receive the credit, the exporter must pay the freight charges on goods shipped through the ports to other countries.

This act does not change the amount of the credit an exporter may receive in a single tax year nor does it allow an importer, in a foreign country to be eligible, to receive the same tax credit for shipping goods from either of the State's ports. Domestic shipments or receipts within the continental United States, Puerto Rico, or Guam are not eligible.

EFFECTIVE DATE: January 1, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

Department of Revenue, Corporate and Individual Income Tax Returns

FISCAL IMPACT

	<u>FY</u> 94-95	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98	<u>FY</u> 98-99
REVENUES:					
GENERAL FUND	The loss is not expected to exceed \$50,000 a year for the next 5 fiscal years.				

ASSUMPTIONS AND METHODOLOGY:

For the nine months ending in March 1994, \$43,000 in credits had been applied for. An aggressive assumption would be one that assumes the dollar amount of the credit would double, in a single fiscal year, due to the expansion of the credit proposed in this legislation.

SOURCES OF DATA:

Office of State Policy and Planning

FISCAL RESEARCH DIVISION

733-4910

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Official

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