

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 257

Short Title: RR Tax Credit for Ports Use.

(Public)

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Sponsors: Representatives McComas; and Watson.

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Referred to: Commerce, if favorable, Finance.

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February 17, 1997

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE A TAX CREDIT FOR RAILROADS PROVIDING  
2 INCREASED SERVICE TO THE NORTH CAROLINA STATE PORTS.  
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4 The General Assembly of North Carolina enacts:

5 Section 1. Division I of Article 4 of Chapter 105 of the General Statutes is  
6 amended by adding a new section to read:

7 "**§ 105-130.43. Credit to railroads for increased service to North Carolina State**  
8 **Ports.**

9 A taxpayer operating a railroad that provides rail service to or from the State-owned  
10 port terminal at Wilmington or Morehead City is allowed a credit against the tax imposed  
11 by this Division. The amount of the credit is the tax imposed upon the income  
12 attributable to the increase in cargo units moved by the taxpayer to and from a port  
13 terminal in the current taxable year over the cargo units moved by the taxpayer during the  
14 preceding taxable year. To obtain the credit, taxpayers shall provide to the Secretary a  
15 statement from the State Ports Authority certifying the increase in cargo units for which a  
16 credit is claimed and any other information required by the Secretary."

17 Section 2. Division II of Article 4 of Chapter 105 of the General Statutes is  
18 amended by adding a new section to read:

19 "**§ 105-151.27. Credit to railroads for increased service to North Carolina State**  
20 **Ports.**

1        A taxpayer operating a railroad that provides rail service to or from the State-owned  
2 port terminal at Wilmington or Morehead City is allowed a credit against the tax imposed  
3 by this Division. The amount of the credit is the tax imposed upon the income  
4 attributable to the increase in cargo units moved by the taxpayer to and from a port  
5 terminal in the current taxable year over the cargo units moved by the taxpayer during the  
6 preceding taxable year. To obtain the credit, taxpayers shall provide to the Secretary a  
7 statement from the State Ports Authority certifying the increase in cargo units for which a  
8 credit is claimed and any other information required by the Secretary."

9        Section 3. Part 10 of Article 10 of Chapter 143B of the General Statutes is  
10 amended by adding a new section to read:

11 **"§ 143B-467.1. Reports on impact of tax credits.**

12        The North Carolina State Ports Authority shall report annually to the General  
13 Assembly regarding the impact of the income tax credit provided by G.S. 105-130.41 and  
14 G.S. 105-151.22 on shipping and economic growth. Each report shall show the overall  
15 annual increase in shipping at each State port for the most recent year for which data is  
16 available and for each of the previous 10 years. Each report shall estimate the number of  
17 jobs created at each port and in businesses related to port activity at each port since  
18 January 1, 1992, as compared to the number of similar jobs created during the 10 years  
19 preceding January 1, 1992. Each report shall state the net economic impact on the State  
20 as a result of the allowance of the tax credit. Each report shall include the number of  
21 persons using the tax credit who have stopped, or are likely to stop, using a North  
22 Carolina port when the credit expires and to then use a port in another state.

23        The North Carolina State Ports Authority shall also report annually to the North  
24 Carolina General Assembly regarding the impact of the income tax credit provided by  
25 G.S. 105-130.43 and G.S. 105-151.27 on rail service to the State ports and on economic  
26 growth in general. Each report shall show the overall increase in rail service to both the  
27 Wilmington and Morehead City terminals during the most recent year for which data is  
28 available and for each of the previous 10 years. Each report shall state the net economic  
29 impact on the State as a result of the allowance of tax credits under this act.

30        The Ports Authority shall file these reports on May 1 of each year by submitting  
31 copies to the Speaker of the House of Representatives and the President Pro Tempore of  
32 the Senate. The Ports Authority is encouraged to combine the reports in a single  
33 document for the sake of economy. The Department of Revenue and the Department of  
34 Commerce shall cooperate with the Ports Authority in providing the information required  
35 in the annual reports."

36        Section 4. Section 3 of this act is effective when it becomes law. The  
37 remainder of this act is effective for taxable years beginning on or after January 1, 1997.