

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS85150-LY-182 (3/14)

Short Title: Tax Credit for Sustaining NC Economy. (Public)

Sponsors: Senator Hoyle.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE AN INCOME TAX INCENTIVE FOR CORPORATIONS THAT MAKE A LONG-TERM ECONOMIC COMMITMENT IN THE STATE, THEREBY SUSTAINING AND STRENGTHENING NORTH CAROLINA'S ECONOMY.

The General Assembly of North Carolina enacts:

SECTION 1. Part 1 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-130.47. Tax credit for sustaining the State's economic growth.

(a) Credit. – A taxpayer that files an income tax return under this Part and has filed an income tax return under this Part for at least the prior four consecutive taxable years is allowed a credit against the tax imposed by this Part. The amount of the credit allowed is determined based on a percentage of the taxpayer's tax liability reduced by the sum of all other credits allowable, except tax payments made by or on behalf of the taxpayer. For a taxpayer that files a return for the fifth consecutive taxable year, the credit is five percent (5%). For a taxpayer that files a return for more than five consecutive years, the credit percentage is equal to the number of consecutive years, including the current year, for which the taxpayer has filed a return under this Part. The maximum credit percentage is twenty-five percent (25%).

(b) Limitations. – A taxpayer may not claim the credit allowed by this section if the taxpayer claims a credit allowed under Article 3C or 3G of this Chapter or under G.S. 105-130.45 or G.S. 105-130.46. A return filed for a fractional part of a year is not considered a taxable year under this section.

SECTION 2. This act is effective for taxable years beginning on or after January 1, 2005.