

April 19, 1999

H 1296. TECH. COMMERCIALIZATION CREDIT. TO PROVIDE AN INCENTIVE FOR BUSINESSES TO FIND COMMERCIAL USES FOR TECHNOLOGY DEVELOPED BY CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA. Adds new GS 105-129.9A, creating a technology commercialization tax credit, which a taxpayer may take in lieu of the credit allowed in GS 105-129.9, for investing in machinery and equipment under specified conditions. The credit is either 20% or 15% of the excess of the eligible investment amount over the applicable threshold for the taxable year and must be taken for the taxable year in which the machinery and equipment are placed in service. Conditions for the credit include: (1) the machinery and equipment (a) are directly related to production based on technology developed by and licensed from a constituent institution of the University of North Carolina or are used to produce resources essential to the taxpayer's production based on such technology and (b) are placed in service in a tier one, two, or three enterprise area; (2) the eligible investment amount is at least \$10 million; (3) the Secretary of Commerce has certified that the taxpayer will invest at least \$150 million (for 20% credit) or \$100 million (for 15% credit) by the end of the fourth year after the year in which the taxpayer first places eligible machinery and equipment in service in the enterprise area; and (4) no more than 9 years have passed since the first taxable year the taxpayer claimed a credit under the section with respect to the same location. Specifies circumstances under which the credit is forfeited. Amends GS 105-129.5 to provide for tax elections and cap in regard to the technology commercialization credit. Effective for taxable years beginning on or after January 1, 2000.

Intro. by Nye.

Ref. to Finance

GS 105

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