

April 15, 1999

S 1110. 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. GS 105-129.9 provides a tax credit equal to 7% of the excess of the eligible investment amount over the applicable threshold (which varies depending on the location in the state) for investment in machinery and equipment that is part of a planned expansion. This bill adds a new GS 105-129.9A providing an alternative credit which businesses may opt for when the machinery or equipment is 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. The credit in such instances is 20% if the investment is at least \$10 million for the taxable year in a tier one, two, or three enterprise area, and the taxpayer has certified to the Secretary of Commerce the intent to invest at least \$150,000,000 in eligible machinery and equipment in those areas by the end of the fourth year (or 15% if the commitment is \$100,000,000). Provides for forfeiture in certain circumstances. Effective for taxable years beginning on or after Jan. 1, 2000.

Intro. by Rand, Weinstein, Soles.

Ref. to Finance

GS 105

June 15, 1999

S 1110. TECH. COMMERCIALIZATION CREDIT. Intro. 04/14/99. Senate committee substitute makes the following changes to 1st edition. Makes technology commercialization credit applicable to technology developed by a research university (was, constituent institution of UNC). Defines "research university" as an institution of higher education classified as a Research I or Research II university in the most recent edition of "A Classification of Institutions of Higher Education," official report of The Carnegie Foundation for the Advancement of Teaching. Creates exceptions to credit for machinery or equipment that is transferred or taken out of service during the three years immediately preceding taxable years. Adds documentation requirements for credits claimed under GS 105-129.9 and GS 105-129.9A. Makes other clarifying changes.

July 8, 1999

S 1110. TECH. COMMERCIALIZATION CREDIT. Intro. 4/15/99. House committee substitute makes the following changes to 2nd edition. Makes the technology commercialization credit subject to the same forfeiture provisions of other tax incentives for new and expanding businesses under GS 105-129(4)d. Amends GS 105-129.5 to add the requirement that the taxpayer elect the percentage of the credit that will be taken against each tax when filing the return on which the credit is first taken. Provides that the percentage of the credit elected to be taken against each tax may be carried forward only against the same tax.