

April 2, 2001

S 748. BILL LEE ACT CHANGES (=H 379). *TO AMEND THE WILLIAM S. LEE QUALITY JOBS AND BUSINESS EXPANSION ACT.*

Intro. by Hoyle, Kerr.

Ref. to Finance	GS 105
-----------------	--------

September 20, 2001

S 748. BILL LEE ACT CHANGES. Intro. 4/2/01. Senate committee substitute adopted 9/19/01 makes the following changes to 1st edition. Changes title to *AN ACT TO AMEND THE WILLIAM S. LEE QUALITY JOBS AND BUSINESS EXPANSION ACT AND TO EXEMPT SALES OF CERTAIN ELECTRICITY FROM SALES TAX*. Amends GS 105-129.3(e) to change population level for small counties from 10,000 to 12,000. Amends GS 105-129.4(a1) to provide that other property creates at least 200 new jobs if the taxpayer hires at least 200 additional full-time employees to fill new positions at the location in a 2-year period beginning when the property is first used in an eligible business. Amends GS 105-129.4(b) to provide that a taxpayer is eligible for the credit for creating jobs if, for the calendar year the jobs are created or the worker training is provided, the average wage of the jobs for the credit is claimed meets the wage standard and the average wage of all jobs at the location with respect to which the credit is claimed meets the wage standard. Adds new GS 105-129.4(b5) to provide that a taxpayer is eligible for the credit for substantial investment in other property under GS 105-129.12A with respect to a location only if the Sec'y of Commerce certifies that the taxpayer will purchase or lease and use in an eligible business at that location within a 3-year period at least \$10 million of real property and that the location that is the subject of the credit will create at least 200 new jobs within 2 years of the time the property is first used in an eligible business. If the taxpayer fails to make the required level of investment certified within this 3-year period or fails to create the required number of new jobs, the taxpayer forfeits the credit. Amendments to GS 105-129.4 effective Jan. 1, 2002. Effective Jan. 1, 2002, amends GS 105-129.5(c) to provide that an unused credit with respect to research and development under GS 105-129.10 may be carried forward for the succeeding 15 years. Deletes application provision in GS 105-129.6(a). Amends GS 105-129.6(a1) to provide that claims for credit are to be filed with the Dep't of Revenue rather than Commerce. Enacts new GS 105-129.12A to establish conditions and procedures by which a taxpayer that has purchased or leased real property in an enterprise tier 1 or 2 area and begins to use the property in an eligible business during the taxable year may obtain a credit of 30% of the eligible investment amount. Makes other definitional and conforming changes. Amendments to GS 105-129.6 and new 105-129.12A effective Jan. 1, 2002. Effective Nov. 1, 2001, amends GS 105-164.13 to exempt from the sales tax the following sales of electricity separately metered or measured and sold to a manufacturer for the following uses: arc furnace; furnace used to make glass; aluminum smelting process; placing an electrical charge in a new lead-acid battery manufactured for sale; electrolytic process used to produce chlorine gas or chemicals manufactured for sale; resistance welding process used to produce wire fabric.

September 20, 2001

S 748. BILL LEE ACT CHANGES. Intro. 4/2/01. Senate amendment makes the following changes to 2nd edition. Provides that sales tax exemption for sales of certain electricity shall not be expanded.