

April 5, 2001

S 889. R&D TAX CREDIT. TO EXPAND THE RESEARCH AND DEVELOPMENT TAX CREDIT.

Adds a new GS 105-129.16D providing that a taxpayer that claims for the taxable year a federal income tax credit under section 41(a) of the Internal Revenue Code for increasing research activities is allowed a North Carolina tax credit equal to 15% of any increase in qualified research expenses in the state during the taxable year over the average amount of qualified research expenses in the state over the preceding three years (and 40% of any increase in basic research payments to constituent institutions of UNC during the taxable year over the average of the preceding three years). Provides for exchanges of the credit for cash (at 70% of the amount of the credit) or transfers to certain other taxpayers, in addition to permitted carryovers. Makes corresponding changes in GS

105-129.10(a) and adds definitional provisions to GS 105-129.15. Effective for taxable years beginning on or after Jan. 1, 2002.

Intro. by Reeves.

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