

May 12, 2004

H 1415. ALTERNATIVE R & D CREDIT. TO CREATE AN ALTERNATIVE RESEARCH AND DEVELOPMENT TAX CREDIT. Enacts new Art. 3F of GS Ch. 105, establishing a tax credit for NC research and development. Provides that a taxpayer is entitled to a credit equal to the following percentage of expenses for research performed in state: small business-3%; low-tier research-3%; and other research- up to 3% as determined by amount of expenses incurred. Further provides a credit equal to 15% of NC university research expenses incurred. Defines NC research university. Requires that taxpayer elect only one credit as allowed in GS 105-129.10, must make a binding election of the tax against which credit will be claimed and limits credit to 50% of tax. Requires that the Dep't of Revenue report to the General Assembly by May 1st of each year on the credits claimed and total cost to the General Fund. Effective Jan. 1, 2005. Repeals GS 105-129.10 and GS 105-129.51(c) effective Jan. 1, 2006.

Intro. by Daughtridge, Wainwright, G. Allen, Dickson, Harrell, L. Johnson, LaRoque, McComas, Owens, Tolson, Walker.

Ref. to Rules

GS 105

June 22, 2004

H 1415. ALTERNATIVE R&D TAX CREDIT. Intro. 5/12/04. House committee substitute makes the following changes to 1st edition. Substantially similar to amendments to GS Ch. 105, Art. 3F, and GS 105-259(b)(30) contained in Senate Comm. Substitute to H 1414, adopted 6/15/04, except amends GS 105-129.51(b) to repeal Art. for taxable years beginning on Jan. 1, 2009 (was, 2014) and changes effective date to July 1, 2005 (was, Jan. 1, 2005).

June 28, 2004

H 1415. ALTERNATIVE R&D TAX CREDIT. Intro. 5/12/04. House amendment makes the following changes to 2nd edition. Amends GS 105-129.50(6) to clarify that term "qualified research expenses" refers to expenses other than NC university research expenses. Amends GS 105-129.55(a) to clarify that only one credit is allowed with respect to the same expenses, credit equal to the highest applicable percentage. Makes technical changes.