

May 15, 2006

H 1978. TAX INCENTIVES FOR ETHYL ALCOHOL. Filed 5/15/06. *TO PROVIDE FOR TAX INCENTIVES FOR ETHYL ALCOHOL MANUFACTURERS.* Amends GS 105-130.4 (allocation and apportionment of income for multi-state corporations) to allow manufacturers of nonpotable ethyl alcohol to apportion their income to NC based only on the sales factor (was, sales, property, and payroll factors). Amends GS 105-164.14(j)(3) to give a manufacturer of nonpotable ethyl alcohol an annual sales tax refund for taxes paid on certain building materials, building supplies, fixtures, and equipment if the manufacturer will invest at least \$50 million in enterprise tier one or at least \$100 million in any other tier.

Recodifies GS 105-129.16D (25% tax credit for renewable fuel processing facility) as GS 105-129.71 with the following changes: (1) the credit may be taken against both franchise and income tax (was, either franchise or income tax); (2) the amount of credit allowed is up to 100% (was, 50%) of both taxes due each tax year; (3) the excess may be carried forward for 25 (was, five) years. Appropriates \$50,000 for 2006-07 fiscal year to implement the provisions of the act. Appropriation is effective July 1, 2006; the remainder of the act is effective January 1, 2006.

Intro. by Tolson.

GS 105, APPROP