

May 17, 2006

H 2156. TAX CREDITS FOR CERTAIN REAL PROP. DONATIONS. Filed 5/17/06. TO RECODIFY THE CREDIT FOR CERTAIN REAL PROPERTY DONATIONS AND TO INCREASE THE CREDIT FOR CERTAIN PASS-THROUGH ENTITIES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION. Repeals GS 105-130.34 (corporate income tax credit for certain real property donations) and 105-151.12 (individual income tax credit for certain real property donations) effective with the tax year beginning January 1, 2006, and combines those provisions into new Article 3H, GS Chapter 105. Retains the classes of property that qualify for donation, the percentage (25%) of property's value that qualifies for the credit, and the cap on the credit (\$500,000 for corporations, \$250,000 for individuals). Adds subsection that describes how credit allowed to a pass-through entity will be apportioned among owners of those entities. Provides that credit is allowed against Article 3 franchise tax, Article 4 income taxes, and Article 8B gross premiums tax and requires that taxpayer make a binding election of the tax against which credit will be claimed, including carryforward of a credit (previously applied only to income taxes). Authorizes a taxpayer to elect to carry forward any unused portion of the credit for: (1) the succeeding five years, or (2) the next succeeding two years, and then receive a cash payment in the next succeeding year in an amount equal to 50% of the remaining unused credit. Provides that credit will apply to a donation of marshland for which a claim has been filed under GS 113-205 only if the offer was made before December 31, 2003. Effective for credits claimed against income tax or gross premiums tax for taxable years beginning on or after January 1, 2006, and for credits claimed against franchise tax for taxable years beginning on or after January 1, 2007, and applies to property interests contributed on or after January 1, 2006. Authorizes the Department of Revenue to withhold from income taxes no more than \$55,000 in 2006-07 for computer programming required to implement the act. Effective January 1, 2006, amends Article 16 of GS Chapter 113A to change references to conservation "easement" program to conservation "incentive" program and amends various statutes to replace references to GS 105-130.34 and 105-151.12 with a reference to new GS 105-129.70.

Intro. by Gibson.

GS 105, 113, 113A