

March 12, 2009

H 592. EXPAND MILL REHABILITATION TAX CREDIT. Filed 3/12/09. *TO EXPAND THE MILL REHABILITATION TAX CREDIT.*

Amends GS 105-129.70 (Mill Rehabilitation Tax Credit) to add definitions for *redevelopment certification* and *redevelopment expenses*. Adds a definition for *redevelopment site* to mean a site located in the state that (1) was used as a manufacturing facility or for purposes ancillary to manufacturing, as a warehouse for selling agricultural products, or as a public or private utility; (2) has or previously had buildings collectively in excess of 50,000 square feet prior to ceasing operations; and (3) has been at least 80% vacant for a period of at least two years immediately preceding the date of redevelopment certification. Enacts new GS 105-129.72A to allow a taxpayer, who incurs at least \$3 million in redevelopment expenses with respect to a redevelopment site, to take a tax credit equal to a percentage of the redevelopment expenses. Sets forth procedures and limitations on taking the credit. Requires that the taxpayer provide the Secretary of Revenue with a redevelopment certificate to be eligible for the credit. For a redevelopment site located in a tier one or two area, the amount of the credit is equal to 20% of the redevelopment expenses, with no credit available for a site located in a tier three area. Allows for allocation of the credit by a pass-through entity to owners under certain conditions. Provides for forfeiture of the credit due to change in ownership, with exceptions. Creates liability for past taxes upon forfeiture. Prohibits a double credit from being taken with respect to the same site. Effective for taxable years beginning on or after January 1, 2009.

Intro. by E. Warren, McLawhorn, Williams. GS 105