

March 11, 2009

S 575. EXTEND SUNSET FOR JDIG. Filed 3/11/09. *TO EXTEND THE SUNSET PROVISION OF THE JOB DEVELOPMENT INVESTMENT GRANT PROGRAM.*

Amends GS 143B-437.62 to extend the authority of the Economic Investment Committee to enter into new agreements in connection with the Job Development Investment Grant Program until January 1, 2016 (was, January 1, 2010).

Intro. by Hoyle.

GS 143B

May 6, 2009

S 575. MODIFY CORPORATE APPORTIONMENT FORMULA (NEW). Filed 3/11/09. Senate committee substitute deletes the provisions of the 1st edition and replaces it with *AN ACT TO ENCOURAGE THE LOCATION AND EXPANSION OF CAPITAL INTENSIVE COMPANIES IN THIS STATE*. Amends GS 105-130.4, adding new subsection (s1) to modify the formula for apportioning all apportionable income of a capital intensive corporation. Defines a *capital intensive corporation* as a corporation whose property factor as a percentage of the sum of the factors in the formula set out in subsection (i) of GS 105-130.4, including the doubling of the sales factor, exceeds 75%. Requires a corporation subject to proposed subsection (s1) to list on its return the property, payroll, and sales factors it used in determining whether it is a capital intensive corporation. Makes conforming changes to GS 105-130.4(i). Effective for taxable years beginning on or after January 1, 2010.

May 21, 2009

S 575. MODIFY CORPORATE APPORTIONMENT FORMULA. Filed 3/11/09. House committee substitute makes the following changes to 2nd edition. Amends proposed GS 105-130.4(s1) by expanding the conditions that a *qualified* capital intensive corporation (was, capital intensive corporation) must satisfy to allow that all of its apportionable income be apportioned by multiplying the income by the sales factor as determined under GS 105-130.4(l). A qualified capital intensive corporation must satisfy all of the following conditions: (1) the corporation's property factor as a percentage of the sum of the factors in the formula set out in subsection (i) of GS 105-130.4, including the doubling of the sales factor, exceeds 75% *or* the corporation's average property factor for the preceding three years as a percentage of the average sum of the factors in that formula, including the doubling of the sales factors, for the preceding three years exceeds 75%, (2) the Secretary of Commerce makes a written determination that the corporation has invested or is expected to invest at least \$1 billion in private funds to construct a facility in the state within nine years after the time construction begins, (3) the corporation maintains the average number of employees it has at the facility during the first two years after the facility is placed in service for the remainder of time in which the corporation must complete the investment required under (s1)(2), (4) the facility that satisfies the condition of (s1)(2) is located in a county designated as tier one or tier two at the time construction begins, and (5) the corporation satisfies a wage standard [established in GS 105-129.83(c)] and provides health insurance [as set forth in GS 105-129.83(d)] for all of its full-time employees at the facility that satisfies the condition of (s1)(2). Provides that if a corporation fails to invest \$1 billion in private funds within nine years, the benefit of this subsection expires and the corporation must apportion income as otherwise required.

Enacts new GS 105-129.83(m) to provide that a qualified capital intensive corporation is not eligible for any credit under Article 3J of GS Chapter 105 with respect to the facility that satisfies the condition of GS 105-130.4(s1)(2).

Also prohibits a qualified capital intensive corporation from being eligible for a grant under the Job Development Investment Grant Program or the One North Carolina Fund with respect to the facility that satisfies the condition of GS 105-130.4(s1)(2).

States that the General Assembly encourages qualified capital intensive corporations that locate in the state to enter into a first source hiring agreement to utilize the State Employment Security Commission and any cooperating local agency as a first source for recruitment and referral of applicants for new and replacement employment associated with the applicable facility.

Provides that, if no corporation has qualified as a qualified capital intensive corporation under GS 105-130.4(s1) before January 1, 2019, then GS 105-130.4(s1) is repealed for taxable years beginning on or after January 1, 2019.

Makes conforming changes to the title.

June 3, 2009

SL 2009-54 (S 575). MODIFY CORPORATE APPORTIONMENT FORMULA. *AN ACT TO ENCOURAGE THE LOCATION AND EXPANSION OF CAPITAL INTENSIVE COMPANIES IN THIS STATE BY PROVIDING FOR APPORTIONMENT OF CORPORATE INCOME BASED SOLELY ON THE SALES FACTOR FOR COMPANIES THAT MEET CERTAIN INVESTMENT AND QUALITY JOBS CRITERIA.* Summarized in *Daily Bulletin* 5/6/09 and 5/21/09. Enacted June 3, 2009. Effective for taxable years beginning on or after January 1, 2010.