

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1368

Short Title: Delay Sunset on Tax Credits.

(Public)

Sponsors: Senator Ballantine.

Referred to: Finance.

May 27, 1998

A BILL TO BE ENTITLED

AN ACT TO DELAY THE SUNSET ON THE QUALIFIED BUSINESS
INVESTMENT TAX CREDITS.

The General Assembly of North Carolina enacts:

Section 1. Section 7 of Chapter 443 of the 1993 Session Laws reads as
rewritten:

"Sec. 7. Division V of Article 4 of Chapter 105 of the General Statutes is repealed
effective for investments made on or after January 1, ~~1999-2001~~. Division V of Article 4
of Chapter 105 of the General Statutes will remain in effect for investments made before
January 1, ~~1999-2001~~."

Section 2. Section 10 of Chapter 443 of the 1993 Session Laws reads as
rewritten:

"Sec. 10. Section 6 of this act is effective upon ratification. Section 7 of this act
becomes effective for investments made on or after January 1, ~~1999-2001~~. The
remainder of this act becomes effective for taxable years beginning on or after January 1,
1994.

A business registered as a qualified business venture or a qualified grantee business
before January 1, 1994, retains its registration until the renewal date for the registration of
that business under Division V of Article 4 of Chapter 105 of the General Statutes as in
effect before January 1, 1994. The Secretary of State shall not grant renewal of a

1 registration as a qualified business venture or a qualified grantee business unless at the
2 time of filing the renewal application, the business meets the requirements then in effect
3 for a new registration.

4 Notwithstanding the provisions of G.S. 105-163.014(a), as amended by this act, a
5 credit under Division V of Article 4 of Chapter 105 of the General Statutes for an
6 investment made before January 1, 1994, is not forfeited solely on the grounds that a
7 sibling of the taxpayer provides services for compensation to the business in which the
8 taxpayer invested.

9 Notwithstanding the provisions of G.S. 105-163.014(d), as amended by this act, a
10 credit under Division V of Article 4 of Chapter 105 of the General Statutes for an
11 investment made before January 1, 1994, is not forfeited solely on the grounds that a
12 redemption of the securities received in the investment is made within five years after the
13 investment was made.

14 The Secretary of State may require a qualified business venture or a qualified grantee
15 business that is unable to renew its registration after January 1, 1994, to file reports the
16 Secretary of State considers appropriate to determine the location of the headquarters and
17 principal business operations of the business until three years after the date of the last
18 investment in the business that qualified for the tax credit allowed under Division V of
19 Article 4 of Chapter 105 of the General Statutes."

20 Section 3. This act is effective when it becomes law.