

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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HOUSE BILL 146  
Committee Substitute Favorable 3/19/01  
Third Edition Engrossed 4/11/01

Short Title: Modify Partnership Tax Credit.

(Public)

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Sponsors:

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Referred to:

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February 19, 2001

A BILL TO BE ENTITLED

1 AN ACT TO MODIFY THE PASS-THROUGH DISTRIBUTION OF PARTNERSHIP  
2 INCOME TAX CREDITS.  
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4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-269.15(a) reads as rewritten:

6 "(a) Pass-Through of Credit. – A partnership may pass through to each of its  
7 partners the partner's distributive share of an income tax credit for which the partnership  
8 qualifies. Except as otherwise provided in this Chapter, all limitations on an income tax  
9 credit apply to the partnership, except the following:

10 (1) ~~The limitation that the credit may not exceed the amount of income tax~~  
11 ~~imposed on the taxpayer.~~

12 (2) ~~A cap on the otherwise allowable amount of the credit, expressed as a~~  
13 ~~specific maximum dollar amount or a specific percentage of tax~~  
14 ~~imposed on the taxpayer for the taxable year. In addition, a cap on the~~  
15 ~~otherwise allowable amount of the credit expressed as a specific~~  
16 ~~maximum dollar amount does not apply to a partnership that qualifies~~  
17 ~~for a credit under G.S. 105-151.12."~~

18 **SECTION 2.** G.S. 105-269.15(a), as amended by Section 1 of this act, reads  
19 as rewritten:

20 "(a) Pass-Through of Credit. – A partnership may pass through to each of its  
21 partners the partner's distributive share of an income tax credit for which the partnership  
22 qualifies. Except as otherwise provided in this Chapter, all limitations on an income tax  
23 credit apply to the partnership, except the limitation that the credit may not exceed the  
24 amount of tax or a specific percentage of tax imposed on the taxpayer for the taxable  
25 year. ~~In addition, a cap on the otherwise allowable amount of the credit expressed as a~~  
26 ~~specific maximum dollar amount does not apply to a partnership that qualifies for a~~  
27 ~~credit under G.S. 105-151.12."~~

1           **SECTION 3.** Section 1 of this act is effective for taxable years beginning on  
2 or after January 1, 2002. Section 2 of this act is effective for taxable years beginning on  
3 or after January 1, 2005. The remainder of this act is effective when it becomes law.