

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 1419

Short Title: Pass-Through Entity/Housing Tax Credit.

(Public)

Sponsors: Senators Harris; and Clodfelter.

Referred to: Finance.

June 13, 2002

A BILL TO BE ENTITLED

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2 AN ACT TO CHANGE THE REQUIREMENTS REGARDING HOW A
3 PASS-THROUGH ENTITY MAY ALLOCATE A HOUSING TAX CREDIT TO
4 ITS OWNERS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-129.16B(b1) reads as rewritten:

7 "(b1) Allocation. – Notwithstanding the provisions of G.S. 105-131.8 and G.S.
8 105-269.15, a pass-through entity that qualifies for the credit provided in this section
9 may allocate the credit among any of its owners in its ~~discretion as long as the amount~~
10 ~~of credit allocated to an owner does not exceed the owner's adjusted basis in the pass-~~
11 ~~through entity, as determined under the Code, at the end of the taxable year in which the~~
12 ~~federal credit is first claimed.~~discretion. Owners to whom a credit is allocated are
13 allowed the credit as if they had qualified for the credit directly. A pass-through entity
14 and its owners must include with their tax returns for every taxable year in which an
15 allocated credit is claimed a statement of the allocation made by the pass-through entity
16 and the allocation that would have been required under G.S. 105-131.8 or G.S.
17 105-269.15."

18 **SECTION 2.** This act is effective for taxable years beginning on or after
19 January 1, 2002.