

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE DRH70203-MC-196 (04/18)

Short Title: Business Tax Relief and Recruitment.

(Public)

Sponsors: Representatives Wray, Crawford, Owens, and Wainwright (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE ABILITY TO COMPETE WITH SURROUNDING STATES
3 FOR EXPANDING AND EXISTING BUSINESSES BY REDUCING THE CORPORATE
4 INCOME TAX BURDEN.

5 The General Assembly of North Carolina enacts:

6 **REDUCE CORPORATE INCOME TAX**

7 **SECTION 1.(a)** G.S. 105-130.3 reads as rewritten:

8 "**§ 105-130.3. Corporations.**

9 A tax is imposed on the State net income of every C Corporation doing business in this
10 State. An S Corporation is not subject to the tax levied in this section. The tax is ~~a percentage~~
11 four and nine-tenths percent (4.9%) of the taxpayer's State net ~~income computed as~~
12 ~~follows:income.~~

Income Years Beginning	Tax
In 1997	7.5%
In 1998	7.25%
In 1999	7%
After 1999	6.9%."

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18 **SECTION 1.(b)** This section is effective for taxable years beginning on or after
19 January 1, 2012.

20 **REDUCE CORPORATE INCOME TAX BURDEN ON MANUFACTURERS AND**
21 **OPERATORS OF LARGE DATACENTERS**

22 **SECTION 2.(a)** G.S. 105-130.4(a) reads as rewritten:

23 "(a) As used in this section, unless the context otherwise requires:

24 ...

25 (4) 'Excluded corporation' means any corporation engaged in business as ~~a one~~
26 of the following:

27 a. A building or construction ~~contractor, a~~ contractor.

28 b. A securities ~~dealer, or a~~ dealer.

29 c. A loan ~~company or a~~ company.

30 d. A corporation that receives more than fifty percent (50%) of its
31 ordinary gross income from intangible property.

32 e. A corporation whose principal business in this State is
33 manufacturing, assembly, or processing goods and materials.



1 f. A corporation that operates a datacenter in this State in which the
2 corporation has invested at least one hundred million dollars
3 (\$100,000,000) in private funds to construct the datacenter and the
4 value of the property in service at the datacenter is at least fifty
5 percent (50%) of the total value of property the taxpayer has in
6 service in this State. For purposes of this subdivision, costs of
7 construction include costs of acquiring and improving land for the
8 datacenter, costs for renovations or repairs to existing buildings, and
9 costs of equipping or reequipping the datacenter."

10 **SECTION 2.(b)** G.S. 105-130.4(s1) is repealed.

11 **SECTION 2.(c)** This section is effective for taxable years beginning on or after
12 January 1, 2012.

13 **EXTEND SALES TAX REFUNDS ON BUILDING MATERIALS FOR LARGE**
14 **INDUSTRIAL PROJECTS**

15 **SECTION 3.(a)** G.S. 105-164.14B(f) reads as rewritten:

16 "(f) Sunset. – This section is repealed for sales made on or after January 1, ~~2013-2016.~~"

17 **SECTION 3.(b)** This section is effective when it becomes law.

18 **EXTEND SUNSET ON TAX CREDITS FOR GROWING BUSINESSES**

19 **SECTION 4.(a)** G.S. 105-129.82(a) reads as rewritten:

20 "(a) Sunset. – This Article is repealed effective for business activities that occur on or
21 after January 1, ~~2013-2016.~~"

22 **SECTION 4.(b)** This section is effective when it becomes law.