

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

H

1

HOUSE BILL 920

Short Title: Business Tax Relief and Recruitment. (Public)

Sponsors: Representatives Wray, Crawford, Owens, and Wainwright (Primary Sponsors).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Commerce and Job Development, if favorable, Finance.

May 5, 2011

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE ABILITY TO COMPETE WITH SURROUNDING STATES  
FOR EXPANDING AND EXISTING BUSINESSES BY REDUCING THE CORPORATE  
INCOME TAX BURDEN.

The General Assembly of North Carolina enacts:

**REDUCE CORPORATE INCOME TAX**

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

"§ 105-130.3. Corporations.

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

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

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

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

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

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

...

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

a. A building or construction contractor, a contractor.

b. A securities dealer, or a dealer.

c. A loan company or a company.

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

e. A corporation whose principal business in this State is 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.