GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 848
SENATE BILL 1362

AN ACT TO TREAT INVESTMENTS IN A PARTNERSHIP IN WHICH THE NORTH CAROLINA ENTERPRISE CORPORATION IS THE ONLY GENERAL PARTNER AS AN INVESTMENT IN THE CORPORATION AND TO EXTEND THE TAX CREDIT FOR INVESTMENTS IN AN ENTERPRISE CORPORATION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 53A-46 reads as rewritten:

"**§ 53A-46. Tax credit.**

A person or corporation that invests in the equity securities of a North Carolina Enterprise Corporation ~~may be~~ or in the equity securities of a limited partnership in which a North Carolina Enterprise Corporation is the only general partner is entitled to a tax credit as provided in G.S. 105-163.010 through G.S. 105-163.014."

Sec. 2. G.S. 105-163.010(6a) reads as rewritten:

"(6a) North Carolina Enterprise Corporation. – A corporation established in accordance with Article 3 of Chapter 53A of the General ~~Statutes.~~ Statutes or a limited partnership in which a North Carolina Enterprise Corporation is the only general partner."

Sec. 3. G.S. 105-163.011(a) reads as rewritten:

"(a) Corporations. – Subject to the limitations contained in G.S. 105-163.012, a corporation that invests in the equity securities of a North Carolina Capital Resource Corporation, a North Carolina Enterprise Corporation, or a qualified investment organization is allowed as a credit against the income tax imposed by Division I of this ~~Article or the~~ Article, the franchise tax imposed by G.S. 105-116, 105-120.2, and ~~105-122~~ 105-122, or the gross premiums tax imposed by G.S. 105-228.5 and G.S. 105-228.8 for the taxable year an amount equal to twenty-five percent (25%) of the amount invested or seven hundred fifty thousand dollars ($750,000), whichever is less. The credit may not be taken for the year in which the investment is made but shall be taken for the taxable year beginning during the calendar year following the calendar year in which the investment was made."

Sec. 4. G.S. 105-163.012(a) reads as rewritten:

"(a) The credit allowed a taxpayer under G.S. 105-163.011 may not exceed the amount of income tax imposed by Division I or II of this ~~Article or by~~ Article, the amount of franchise tax imposed by Article 3 of this Chapter, or the amount of gross premiums tax imposed by Article 8B of this Chapter, as appropriate, for the taxable year reduced by the sum of all other credits allowable except tax payments made by or on

behalf of the taxpayer. The amount of unused credit allowed under G.S. 105-163.011 may be carried forward for the next five succeeding years."

Sec. 5. G.S. 147-69.2(b)(9), as enacted by Chapter 813 of the 1989 Session Laws, reads as rewritten:

"(9) Obligations and securities of ~~the~~ The North Carolina Enterprise Corporation, or of a limited partnership in which The North Carolina Enterprise Corporation is the only general partner, not to exceed twenty million dollars ($20,000,000) from all funds."

Sec. 6. This act is effective for taxable years beginning on or after January 1, 1990.

In the General Assembly read three times and ratified this the 6th day of July, 1990.