

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 119
Finance Committee Substitute Adopted 6/4/03
House Committee Substitute Favorable 6/17/03

Short Title: Expand Historic Preservation Credit.

(Public)

Sponsors:

Referred to:

February 20, 2003

A BILL TO BE ENTITLED

1 AN ACT TO EXPAND THE TAX CREDITS FOR HISTORIC REHABILITATION
2 BY EXTENDING THE SUNSET ON A PROVISION ALLOWING A
3 PASS-THROUGH ENTITY TO ALLOCATE AMONG ITS OWNERS THE TAX
4 CREDIT FOR INCOME-PRODUCING STRUCTURES AND INCREASING THE
5 AMOUNT THAT MAY BE ALLOCATED TO AN OWNER UNDER THIS
6 PROVISION.
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8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** Section 9 of S.L. 1999-389, as amended by Section 19(a) of
10 S.L. 2001-476, reads as rewritten:

11 "Section 9. Sections 1 through 6 of this act are effective for taxable years beginning
12 on or after January 1, 1999. G.S. 105-129.35(b), as amended by this act, is repealed
13 effective January 1, ~~2004,2008~~, for property placed in service on or after that date.
14 Sections 7 and 8 of this act become effective for taxable years beginning on or after
15 January 1, 2000. The remainder of this act is effective when it becomes law."

16 **SECTION 2.** G.S. 105-129.35(b) reads as rewritten:

17 "(b) Allocation. – Notwithstanding the provisions of G.S. 105-131.8 and
18 G.S. 105-269.15, a pass-through entity that qualifies for the credit provided in this
19 section may allocate the credit among any of its owners in its discretion as long as ~~the~~
20 ~~amount of credit allocated to an owner does not exceed the an~~ owner's adjusted basis in
21 the pass-through entity, as determined under the Code, at the end of the taxable year in
22 which the certified historic structure is placed in ~~service~~. service, is at least forty percent
23 (40%) of the amount of credit allocated to that owner. Owners to whom a credit is
24 allocated are allowed the credit as if they had qualified for the credit directly. A
25 pass-through entity and its owners must include with their tax returns for every taxable
26 year in which an allocated credit is claimed a statement of the allocation made by the
27 pass-through entity and the allocation that would have been required under
28 G.S. 105-131.8 or G.S. 105-269.15."

1 **SECTION 3.** The Department of Revenue shall modify the tax credit form
2 for income tax filers to provide separate lines for each of the tax credits currently
3 aggregated in a single line, so that the Department may capture data about the fiscal
4 impact of the specific credits.

5 **SECTION 4.** Sections 1, 3, and 4 of this act are effective when it becomes
6 law. Section 2 of this act is effective for taxable years beginning on or after January 1,
7 2003.