

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 1215\*  
Finance Committee Substitute Adopted 6/16/10

Short Title: Economic Incentives Alignment & Changes.

(Public)

Sponsors:

Referred to:

May 19, 2010

1 A BILL TO BE ENTITLED  
2 AN ACT TO INCREASE UNIFORMITY IN SUNSET AND REPORTING  
3 REQUIREMENTS OF ECONOMIC INCENTIVES TOOLS AND TO ELIMINATE  
4 NONUTILIZED ECONOMIC INCENTIVES.

5 The General Assembly of North Carolina enacts:

6 **PART I: ECONOMIC INCENTIVES REPORTING AND SUNSETS**

7 **SECTION 1.1.** G.S. 105-129.6(b) reads as rewritten:

8 "(b) ~~Reports.—Report.~~ — The Department of Revenue shall publish by May 1 of each  
9 year must include in the economic incentives report required by G.S. 105-256 the following  
10 information itemized by credit and by taxpayer for the 12-month period ending the preceding  
11 December 31; taxpayer:

- 12 (1) The number of credits taken for each credit allowed in this Article.  
13 (2) The number and enterprise tier area of new jobs with respect to which  
14 credits were generated and to which credits were taken.  
15 (3) The cost and enterprise tier area of machinery and equipment with respect to  
16 which credits were generated and to which credits were taken.  
17 (4) The number of new jobs created by businesses located in development  
18 zones, and the percentage of jobs at those locations that were filled by  
19 residents of the zones.  
20 (5) The amount and enterprise tier area of worker training expenditures with  
21 respect to which credits were generated and to which credits were taken.  
22 (6) The amount and enterprise tier area of new research and development  
23 expenditures with respect to which credits were generated and to which  
24 credits were taken.  
25 (7) The cost and enterprise tier area of real property investment with respect to  
26 which credits were generated and to which credits were taken."

27 **SECTION 1.2.** G.S. 105-129.19 reads as rewritten:

28 **"§ 105-129.19. Reports.Report.**

29 The Department of Revenue ~~must publish by May 1 of each year~~ must include in the  
30 economic incentives report required by G.S. 105-256 the following information for the  
31 12-month period ending the preceding December 31; itemized by credit and by taxpayer:

- 32 (1) The number of taxpayers that took the credits allowed in this Article.  
33 (2) The cost of ~~business property and~~ renewable energy property with respect to  
34 which credits were taken.  
35 (2a) Repealed by Session Laws 2002-87, s. 6, effective August 22, 2002.  
36 (3) The total cost to the General Fund of the credits taken."

37 **SECTION 1.3.** G.S. 105-129.26(e) reads as rewritten:



1       "~~(e) Reports.—Report. — The Department of Commerce and the Department of Revenue~~  
2 ~~shall jointly publish by May 1 of each year~~must include in the economic incentives report  
3 ~~required by G.S. 105-256 the following information itemized by taxpayer for the 12-month~~  
4 ~~period ending the preceding December 31;~~taxpayer:

- 5           (1) The number and location of large and major recycling facilities qualified  
6           under this Article.
- 7           (2) The number of new jobs created by each recycling facility.
- 8           (3) The amount of investment in each recycling facility.
- 9           (4) The amount of credits taken under this Article."

10       **SECTION 1.4.** G.S. 105-129.38 reads as rewritten:

11       "**§ 105-129.38. Reports-Report.**

12       The Department of Revenue ~~must publish by May 1 of each year~~must include in the  
13 economic incentives report required by G.S. 105-256 the following information for the  
14 12-month period ending the preceding December 31; ~~itemized by taxpayer:~~

- 15           (1) The number of taxpayers that took the credits allowed in this Article.
- 16           (2) The amount of rehabilitation expenses and qualified rehabilitation  
17           expenditures with respect to which credits were taken.
- 18           (3) The total cost to the General Fund of the credits taken."

19       **SECTION 1.5.** Article 3D of Chapter 105 of the General Statutes is amended by  
20 adding a new section to read:

21       "**§ 105-129.39. Sunset.**

22       This Article expires for qualified rehabilitation expenditures and rehabilitation expenses  
23 incurred on or after January 1, 2014."

24       **SECTION 1.6.** G.S. 105-129.44 reads as rewritten:

25       "**§ 105-129.44. Report.**

26       The Department of Revenue ~~must publish by May 1 of each year~~must include in the  
27 economic incentives report required by G.S. 105-256 the following information for the  
28 12-month period ending the preceding December 31; ~~itemized by taxpayer:~~

- 29           (1) The number of taxpayers that took the credit allowed in this Article.
- 30           (2) The location of each qualified North Carolina low-income building or  
31           housing development for which a credit was taken.
- 32           (3) The total cost to the General Fund of the credits taken."

33       **SECTION 1.7.** G.S. 105-129.54 reads as rewritten:

34       "**§ 105-129.54. Reports-Report.**

35       The Department of Revenue ~~must publish by May 1 of each year~~must include in the  
36 economic incentives report required by G.S. 105-256 the following information itemized by  
37 taxpayer for the 12-month period ending the preceding December 31; ~~taxpayer:~~

- 38           (1) The number of taxpayers that took a credit allowed in this Article, itemized  
39           by the categories of small business, low-tier, other, and university research.
- 40           (2) The amount of each credit taken in each category.
- 41           (3) The total cost to the General Fund of the credits taken."

42       **SECTION 1.8.** Article 3H of Chapter 105 of the General Statutes is amended by  
43 adding a new section to read:

44       "**§ 105-129.75A. Report.**

45       The Department must include in the economic incentives report required by G.S. 105-256  
46 the following information itemized by taxpayer:

- 47           (1) The number of taxpayers that took the credits allowed in this Article.
- 48           (2) The amount of rehabilitation expenses and qualified rehabilitation  
49           expenditures with respect to which credits were taken.
- 50           (3) The total cost to the General Fund of the credits taken."

51       **SECTION 1.9.** G.S. 105-129.85(b) reads as rewritten:

1       "(b) ~~Reports.—Report. — The Department of Revenue shall publish by May 1 of each~~  
2 ~~year~~must include in the economic incentives report required by G.S. 105-256 the following  
3 information itemized by credit and by taxpayer for the 12-month period ending the preceding  
4 December 31:taxpayer:

- 5           (1) The number and amount of credits generated and taken for each credit  
6           allowed in this Article.
- 7           (2) The number and development tier area of new jobs with respect to which  
8           credits were generated and to which credits were taken.
- 9           (3) The cost and development tier area of business property with respect to  
10          which credits were generated and to which credits were taken.
- 11          (4) The cost and development tier area of real property investment with respect  
12          to which credits were generated and to which credits were taken."

13       **SECTION 1.10.** G.S. 105-129.98 reads as rewritten:

14       "**§ 105-129.98. Reports.—Report.**

15       The Department of Revenue ~~must publish by May 1 of each year~~must include in the  
16 economic incentives report required by G.S. 105-256 the following information;information  
17 itemized by taxpayer, for the 12-month period ending the preceding December 31:taxpayer:

- 18           (1) The number of taxpayers that claimed a credit allowed in this Article.
- 19           (2) The amount of each credit claimed and the taxes against which it was  
20           applied.
- 21           (3) The total cost to the General Fund of the credits claimed."

22       **SECTION 1.11.** G.S. 105-130.41(c1) reads as rewritten:

23       "(c1) ~~Report. — The Department of Revenue must publish by May 1 of each year~~must  
24 include in the economic incentives report required by G.S. 105-256 the following information  
25 itemized by taxpayer for the 12-month period ending the preceding December 31:taxpayer:

- 26           (1) The number of taxpayers taking a credit allowed in this section.
- 27           (2) The total amount of charges assessed for the taxable year.
- 28           (2a) The amount of the charges attributable to imports.
- 29           (2b) The amount of the charges attributable to exports.
- 30           (3) The total cost to the General Fund of the credits taken."

31       **SECTION 1.12.** G.S. 105-130.45(f) reads as rewritten:

32       "(f) ~~Report. — The Department of Revenue must publish by May 1 of each year~~must  
33 include in the economic incentives report required by G.S. 105-256 the following information  
34 itemized by taxpayer for the 12-month period ending the preceding December 31:taxpayer:

- 35           (1) The number of taxpayers taking a credit allowed in this section.
- 36           (2) The total amount of exports with respect to which credits were taken.
- 37           (3) The total cost to the General Fund of the credits taken."

38       **SECTION 1.13.** G.S. 105-130.46(k) reads as rewritten:

39       "~~(k) Reports.—Any corporation that takes a credit under this section must submit an~~  
40 ~~annual report by May 1 of each year to the Senate Finance Committee, the House of~~  
41 ~~Representatives Finance Committee, the Senate Appropriations Committee, the House of~~  
42 ~~Representatives Appropriations Committee, and the Fiscal Research Division of the General~~  
43 ~~Assembly. The report must state the amount of credit earned by the corporation during the~~  
44 ~~previous year, the amount of credit including carryforwards claimed by the corporation during~~  
45 ~~the previous year, and the percentage of domestic leaf content in cigarettes produced by the~~  
46 ~~corporation during the previous year. The first reports required under this section are due by~~  
47 ~~May 1, 2006.~~Report. — The Department must include in the economic incentives report  
48 required by G.S. 105-256 the following information itemized by taxpayer:

- 49           (1) The number of taxpayers that took the credit allowed in this section.
- 50           (2) The amount of cigarettes and other tobacco products exported through the  
51 North Carolina State Ports with respect to which credits were taken.

1           (3) The percentage of domestic leaf content in cigarettes produced during the  
2           previous year, as reported by the taxpayer.

3           (4) The total cost to the General Fund of the credits taken."

4           **SECTION 1.14.** G.S. 105-130.47(h) reads as rewritten:

5           "(h) Report. – ~~The Department of Revenue must publish by May 1 of each year~~must  
6 include in the economic incentives report required by G.S. 105-256 the following information,  
7 itemized by taxpayer for the 12-month period ending the preceding December 31:taxpayer:

8           (1) The location of sites used in a production for which a credit was taken.

9           (2) The qualifying expenses for which a credit was taken, classified by whether  
10 the expenses were for goods, services, or compensation paid by the  
11 production company.

12           (3) The number of people employed in the State with respect to credits taken.

13           (4) The total cost to the General Fund of the credits taken."

14           **SECTION 1.15.** G.S. 105-151.22(c1) reads as rewritten:

15           "(c1) Report. – ~~The Department of Revenue must publish by May 1 of each year~~must  
16 include in the economic incentives report required by G.S. 105-256 the following information  
17 itemized by taxpayer for the 12-month period ending the preceding December 31:taxpayer:

18           (1) The number of taxpayers taking a credit allowed in this section.

19           (2) The total amount of charges assessed for the taxable year.

20           (2a) The amount of the charges attributable to imports.

21           (2b) The amount of the charges attributable to exports.

22           (3) The total cost to the General Fund of the credits taken."

23           **SECTION 1.16.** G.S. 105-151.29(h) reads as rewritten:

24           "(h) Report. – ~~The Department of Revenue must publish by May 1 of each year~~must  
25 include in the economic incentives report required by G.S. 105-256 the following  
26 information,information itemized by ~~taxpayer for the 12-month period ending the preceding~~  
27 December 31:taxpayer:

28           (1) The location of sites used in a production for which a credit was taken.

29           (2) The qualifying expenses for which a credit was taken, classified by whether  
30 the expenses were for goods, services, or compensation paid by the  
31 production company.

32           (3) The number of people employed in the State with respect to credits taken.

33           (4) The total cost to the General Fund of the credits taken."

34           **SECTION 1.17.** G.S. 105-164.14(a1), (f), (g), (h), (j), (k), (l), (m), (n), and (o) are  
35 repealed.

36           **SECTION 1.18.** Article 5 of Chapter 105 of the General Statutes is amended by  
37 adding a new section to read:

38 **"§ 105-164.14A. Economic incentive refunds.**

39           (a) Refund. – The following taxpayers are allowed an annual refund of sales and use  
40 taxes paid under this Article:

41           (1) Passenger air carrier. – An interstate passenger air carrier is allowed a refund  
42 of the sales and use tax paid by it on fuel in excess of two million five  
43 hundred thousand dollars (\$2,500,000). The amount of sales and use tax paid  
44 does not include a refund allowed to the interstate passenger air carrier under  
45 G.S. 105-164.14(a). This subdivision is repealed for purchases made on or  
46 after January 1, 2011.

47           (2) Major recycling facility. – An owner of a major recycling facility is allowed  
48 a refund of the sales and use tax paid by it on building materials, building  
49 supplies, fixtures, and equipment that become a part of the real property of  
50 the recycling facility. Liability incurred indirectly by the owner for sales and  
51 use taxes on these items is considered tax paid by the owner.

- 1           (3)   Business in low-tier area. – A taxpayer that is engaged primarily in one of  
2           the businesses listed in G.S. 105-129.83(a) in a development tier one area  
3           and that places machinery and equipment in service in that area is allowed a  
4           refund of the sales and use tax paid by it on the machinery and equipment.  
5           For purposes of this subdivision, "machinery and equipment" includes  
6           engines, machinery, equipment, tools, and implements used or designed to  
7           be used in one of the businesses listed in G.S. 105-129.83, capitalized for tax  
8           purposes under the Code, and not leased to another party. Liability incurred  
9           indirectly by the taxpayer for sales and use taxes on these items is  
10           considered tax paid by the taxpayer. The sunset for Article 3J of Chapter 105  
11           of the General Statutes for development tier one areas applies to this  
12           subdivision.
- 13           (4)   Motorsports team or sanctioning body. – A professional motorsports racing  
14           team or a motorsports sanctioning body is allowed a refund of the sales and  
15           use tax paid by it in this State on aviation fuel that is used to travel to or  
16           from a motorsports event in this State, to travel to a motorsports event in  
17           another state from a location in this State, or to travel to this State from a  
18           motorsports event in another state. For purposes of this subdivision, a  
19           "motorsports event" includes a motorsports race, a motorsports sponsor  
20           event, and motorsports testing. This subdivision is repealed for purchases  
21           made on or after January 1, 2011.
- 22           (5)   Professional motorsports team. – A professional motorsports racing team is  
23           allowed a refund of fifty percent (50%) of the sales and use tax paid by it in  
24           this State on tangible personal property, other than tires or accessories, that  
25           comprises any part of a professional motorsports vehicle. For purposes of  
26           this subdivision, "motorsports accessories" includes instrumentation,  
27           telemetry, consumables, and paint. This subdivision is repealed for  
28           purchases made on or after January 1, 2014.
- 29           (6)   Analytical services business. – A taxpayer engaged in analytical services in  
30           this State is allowed a refund of sales and use tax paid by it. This subdivision  
31           is repealed for purchases made on or after January 1, 2013. The amount of  
32           the refund is the greater of the following:
- 33           a.   Fifty percent (50%) of the eligible amount of sales and use tax paid  
34           by it on tangible personal property that is consumed or transformed  
35           in analytical service activities. The eligible amount of sales and use  
36           tax paid by the taxpayer in this State is the amount by which sales  
37           and use tax paid by the taxpayer in this State in the fiscal year exceed  
38           the amount paid by the taxpayer in this State in the 2006-2007 State  
39           fiscal year.
- 40           b.   Fifty percent (50%) of the amount of sales and use tax paid by it in  
41           the fiscal year on medical reagents.
- 42           (7)   Railroad intermodal facility. – The owner or lessee of an eligible railroad  
43           intermodal facility is allowed a refund of sales and use tax paid by it under  
44           this Article on building materials, building supplies, fixtures, and equipment  
45           that become a part of the real property of the facility. Liability incurred  
46           indirectly by the owner or lessee of the facility for sales and use taxes on  
47           these items is considered tax paid by the owner or lessee. This subdivision is  
48           repealed for purchases made on or after January 1, 2038.
- 49           (b)   Administration. – A request for a refund must be in writing and must include any  
50           information and documentation required by the Secretary. A request for a refund is due within

1 six months after the end of the State's fiscal year. Refunds applied for after the due date are  
2 barred.

3 (c) Report. – The Department must include in the economic incentives report required  
4 by G.S. 105-256 the following information itemized by refund and by taxpayer:

5 (1) The number of taxpayers claiming a refund allowed in this section.

6 (2) The total amount of purchases with respect to which refunds were claimed.

7 (3) The total cost to the General Fund of the refunds claimed."

8 **SECTION 1.19.** Article 5 of Chapter 105 of the General Statutes is amended by  
9 adding a new section to read:

10 **"§ 105-164.14B. Certain industrial facilities refunds.**

11 (a) Definitions. – The following definitions apply in this section:

12 (1) Air courier services. – The furnishing of air delivery of individually  
13 addressed letters and packages for compensation, except by the United  
14 States Postal Service.

15 (2) Aircraft manufacturing. – The manufacturing or assembling of complete  
16 aircraft or of aircraft engines, blisks, fuselage sections, flight decks, flight  
17 deck systems or components, wings, fuselage fairings, fins, moving leading  
18 and trailing wing edges, wing boxes, nose sections, tailplanes, passenger  
19 doors, nacelles, thrust reversers, landing gear, braking systems, or any  
20 combination of these.

21 (3) Bioprocessing. – Biomanufacturing or processing that includes the culture of  
22 cells to make commercial products, the purification of biomolecules from  
23 cells, or the use of these molecules in manufacturing.

24 (4) Reserved.

25 (5) Reserved.

26 (6) Facility. – A single building or structure or a group of buildings or structures  
27 that are located on a single parcel of land or on contiguous parcels of land  
28 under common ownership and any other related real property contained on  
29 the parcel or parcels.

30 (7) Financial services, securities operations, and related systems development. –  
31 One or both of the following functions:

32 a. Performing analysis, operations, trading, or sales functions for  
33 investment banking, securities dealing and brokering, securities  
34 trading and underwriting, investment portfolio or mutual fund  
35 management, retirement services, or employee benefit  
36 administration.

37 b. Developing information technology systems and applications,  
38 managing and enhancing operating applications and databases, or  
39 providing, operating, and maintaining telecommunications networks  
40 and distributed and mainframe computing resources for investment  
41 banking, securities dealing and brokering, securities trading and  
42 underwriting, investment portfolio or mutual fund management,  
43 retirement services, or employee benefit administration.

44 (8) Reserved.

45 (9) Reserved.

46 (10) Reserved.

47 (11) Motor vehicle manufacturing. – Any of the following:

48 a. Manufacturing complete automobiles and light-duty motor vehicles.

49 b. Manufacturing heavy-duty truck chassis and assembling complete  
50 heavy-duty trucks, buses, heavy-duty motor homes, and other special  
51 purpose heavy-duty motor vehicles for highway use.

- 1                   c.     Manufacturing complete military armored vehicles, nonarmored  
2                   military universal carriers, combat tanks, and specialized components  
3                   for combat tanks.
- 4                   (12)   Reserved.
- 5                   (13)   Reserved.
- 6                   (14)   Pharmaceutical and medicine manufacturing and distribution of  
7                   pharmaceuticals and medicines. – Any of the following:
- 8                   a.     Manufacturing biological and medicinal products. For purposes of  
9                   this sub-subdivision, a biological product is a preparation that is  
10                   synthesized from living organisms or their products and used  
11                   medically as a diagnostic, preventive, or therapeutic agent. For the  
12                   purpose of this sub-subdivision, bacteria, viruses, and their parts are  
13                   considered living organisms.
- 14                   b.     Processing botanical drugs and herbs by grading, grinding, and  
15                   milling.
- 16                   c.     Isolating active medicinal principals from botanical drugs and herbs.
- 17                   d.     Manufacturing pharmaceutical products intended for internal and  
18                   external consumption in forms such as ampoules, tablets, capsules,  
19                   vials, ointments, powders, solutions, and suspensions.
- 20                   (15)   Reserved.
- 21                   (16)   Reserved.
- 22                   (17)   Related entity. – An entity for which the taxpayer possesses directly or  
23                   indirectly at least eighty percent (80%) of the control and value.
- 24                   (18)   Semiconductor manufacturing. – The development and production of  
25                   semiconductor material, devices, or components.
- 26                   (19)   Solar electricity generating materials manufacturing. – The development and  
27                   production of one or more of the following:
- 28                   a.     Photovoltaic materials or modules used in producing electricity.
- 29                   b.     Polymers or polymer films primarily intended for incorporation into  
30                   photovoltaic materials or modules used in producing electricity.
- 31                   (20)   Strategic partner. – A business that is engaged in activities at the facility that  
32                   directly contribute to the manufacture and distribution of computers and  
33                   computer peripherals and with whom the taxpayer has contracted to provide  
34                   those activities at the facility in direct support of its manufacturing and  
35                   distribution activities.
- 36                   (b)   Refund. – An owner of an industrial facility that meets the business, minimum  
37                   investment, and industry-specific requirements of this section is allowed an annual refund of  
38                   sales and use tax paid by it under this Article on building materials, building supplies, fixtures,  
39                   and equipment that are installed in the construction of the facility and that become a part of the  
40                   real property of the facility. Liability incurred indirectly by the owner for sales and use taxes on  
41                   those items is considered tax paid by the owner. The requirements are:
- 42                   (1)   Business requirement. – The facility is primarily engaged in one or more of  
43                   the following:
- 44                   a.     Air courier services.
- 45                   b.     Aircraft manufacturing.
- 46                   c.     Bioprocessing.
- 47                   d.     Financial services, securities operations, and related systems  
48                   development.
- 49                   e.     Motor vehicle manufacturing.
- 50                   f.     Pharmaceutical and medicine manufacturing and distribution of  
51                   pharmaceuticals and medicines.

1           g.     Semiconductor manufacturing.

2           h.     Solar electricity generating materials manufacturing.

3       (2)   Minimum investment requirement. – The Secretary of Commerce has  
4       certified that the owner of the facility will invest at least the required amount  
5       of private funds to construct the facility in this State. For the purpose of this  
6       subsection, costs of construction may include costs of acquiring and  
7       improving land for the facility and costs of equipment for the facility. If the  
8       facility is located in a development tier one area, the required amount is fifty  
9       million dollars (\$50,000,000). For all other facilities, the required amount is  
10       one hundred million dollars (\$100,000,000). In the case of a computer  
11       manufacturing facility, the owner may invest these funds either directly or  
12       indirectly through a related entity or strategic partner.

13       (3)   Industry-specific requirements:

14       a.     If the facility is primarily engaged in financial services, securities  
15       operations, and related systems development, it satisfies all of the  
16       following conditions:

17           1.     It is owned and operated by the business for which the  
18           services are provided or by a related entity of that business as  
19           defined in G.S. 105-130.7A.

20           2.     No part of it is leased to a third-party tenant that is not a  
21           related entity of the business.

22       b.     If the facility is primarily engaged in solar electricity generating  
23       materials manufacturing, the business satisfies a wage standard at the  
24       facility. The wage standard is equal to one hundred five percent  
25       (105%) of the lesser of the average weekly wage for all insured  
26       private employers in the State and the average weekly wage for all  
27       insured private employers in the county. A business satisfies the  
28       wage standard if it pays an average weekly wage that is at least equal  
29       to the amount required by this sub-subdivision. In making the wage  
30       calculation, the business must include any jobs that were filled for at  
31       least 1,600 hours during the calendar year.

32       (c)   Forfeiture. – If the owner of an eligible facility does not make the required  
33       minimum investment within five years after the first refund under this section with respect to  
34       the facility, the facility loses its eligibility and the owner forfeits all refunds already received  
35       under this subsection. Upon forfeiture, the owner is liable for tax under this Article equal to the  
36       amount of all past taxes refunded under this section, plus interest at the rate established in  
37       G.S. 105-241.21, computed from the date each refund was issued. The tax and interest are due  
38       30 days after the date of the forfeiture. A person that fails to pay the tax and interest is subject  
39       to the penalties provided in G.S. 105-236.

40       (d)   Administration. – A request for a refund must be in writing and must include any  
41       information and documentation required by the Secretary. A request for a refund is due within  
42       six months after the end of the State's fiscal year. Refunds applied for after the due date are  
43       barred.

44       (e)   Report. – The Department must include in the economic incentives report required  
45       by G.S. 105-256 the following information itemized by refund and taxpayer:

46           (1)   The number of taxpayers claiming a refund allowed in this section.

47           (2)   The total amount of purchases with respect to which refunds were claimed.

48           (3)   The location of facilities with respect to which refunds were claimed.

49           (4)   The total cost to the General Fund of the refunds claimed.

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





- 1 (1) The facility is located in an area that, at the time the owner began  
 2 construction of the facility, was an enterprise tier one area pursuant to  
 3 G.S. 105-129.3.
- 4 (2) The Secretary of Commerce has certified that the owner will, by the end of  
 5 the fourth year after the year the owner begins construction of the recycling  
 6 facility, invest at least three hundred million dollars (\$300,000,000) in the  
 7 facility and create at least 250 new, full-time jobs at the facility.
- 8 (3) The jobs at the recycling facility meet the wage standard in effect pursuant  
 9 to G.S. 105-129.4(b) as of the date the owner begins construction of the  
 10 facility.

11 (b) ~~Large Recycling Facility.~~—A recycling facility qualifies for the tax credit provided  
 12 in G.S. 105-129.27 for large recycling facilities if it meets all of the following conditions:

- 13 (1) ~~The facility is located in an area that, at the time the owner began~~  
 14 ~~construction of the facility, was an enterprise tier one area pursuant to~~  
 15 ~~G.S. 105-129.3.~~
- 16 (2) ~~The Secretary of Commerce has certified that the owner will, by the end of~~  
 17 ~~the second year after the year the owner begins construction of the recycling~~  
 18 ~~facility, invest at least one hundred fifty million dollars (\$150,000,000) in~~  
 19 ~~the facility and create at least 155 new, full-time jobs at the facility.~~
- 20 (3) ~~The jobs at the recycling facility meet the wage standard in effect pursuant~~  
 21 ~~to G.S. 105-129.4(b) as of the date the owner begins construction of the~~  
 22 ~~facility.~~

23 ...

24 (e) Reports. – The Department of Commerce and the Department of Revenue shall  
 25 jointly publish by May 1 of each year the following information itemized by taxpayer for the  
 26 12-month period ending the preceding December 31:

- 27 (1) The number and location of ~~large and~~ major recycling facilities qualified  
 28 under this Article.
- 29 (2) The number of new jobs created by each recycling facility.
- 30 (3) The amount of investment in each recycling facility.
- 31 (4) The amount of credits taken under this Article.

32 **"§ 105-129.27. Credit for investing in large or major recycling facility.**

33 (a) Credit. – An owner that purchases or leases machinery and equipment for a major  
 34 recycling facility in this State during the taxable year is allowed a credit equal to fifty percent  
 35 (50%) of the amount payable by the owner during the taxable year to purchase or lease the  
 36 machinery and equipment. ~~An owner that purchases or leases machinery and equipment for a~~  
 37 ~~large recycling facility in this State during the taxable year is allowed a credit equal to twenty~~  
 38 ~~percent (20%) of the amount payable by the owner during the taxable year to purchase or lease~~  
 39 ~~the machinery and equipment.~~

40 ...."

41 **SECTION 2.2.** Article 3G of Chapter 105 of the General Statutes is repealed.

42 **PART III: CONFORMING CHANGES**

43 **SECTION 3.1.** G.S. 75-29(a) reads as rewritten:

44 "(a) No person, firm or corporation shall advertise the sale of its merchandise using the  
 45 term "wholesale" with regard to its sale prices, except as such word may appear in the  
 46 company or firm name, unless such advertised sale or sales is, or are, to a customer or  
 47 customers having a certificate of resale issued pursuant to G.S. 105-164.28 and recorded as  
 48 required by G.S. 105-164.25 or unless the wholesale price is established by an independent  
 49 agency not engaged in the manufacture, distribution or sale of such merchandise.

50 No person, firm or corporation shall utilize in any commercial transaction a company or  
 51 firm name which contains the word "wholesale" unless such person, firm or corporation is

1 engaged principally in sales at wholesale as defined in G.S. 105-164.3. For the purposes of  
2 determining whether sales are made principally at wholesale or retail, all sales to employees of  
3 any such person, firm or corporation, all sales to organizations subject to refunds pursuant to  
4 ~~G.S. 105-164.14~~, G.S. 105-164.14 through G.S. 105-164.14B and all exempt sales pursuant to  
5 G.S. 105-164.13 shall be considered sales at wholesale. Sales of merchandise for delivery by  
6 the seller to the purchaser at a location other than the seller's place of business shall be  
7 considered sales at wholesale for the purposes of this section."

8 **SECTION 3.2.** G.S. 105-129.2(8a) reads as rewritten:

9 **"§ 105-129.2. Definitions.**

10 The following definitions apply in this Article:

11 ...

12 (8a) Eligible major industry. – A taxpayer is an eligible major industry for the  
13 purposes of this Article if the taxpayer is primarily engaged in one of the  
14 industries listed in ~~G.S. 105-164.14(j)(3)~~ G.S. 105-164.14B and the Secretary  
15 of Commerce has certified that the owner of the facility will invest at least  
16 one hundred million dollars (\$100,000,000) of private funds to acquire,  
17 construct, and equip a facility in this State to engage in one or more of those  
18 industries.

19 ...."

20 **SECTION 3.3.** G.S. 105-164.3 is amended by adding a new subdivision to read:

21 "(6a) Development tier. – The classification assigned to an area pursuant to  
22 G.S. 143B-437.08."

23 **SECTION 3.4.** G.S. 105-187.18(b) reads as rewritten:

24 "(b) Except for the exemption for sales a state cannot constitutionally tax, the  
25 exemptions ~~in G.S. 105-164.13 and the refunds allowed in G.S. 105-164.14~~ Article 5 of this  
26 Chapter do not apply to the taxes imposed by this Article."

27 **SECTION 3.5.** G.S. 105-187.23 reads as rewritten:

28 **"§ 105-187.23. Exemptions and refunds.**

29 (a) Exemptions. – Except for the exemption for sales a state cannot constitutionally tax,  
30 the exemptions allowed in G.S. 105-164.13 ~~Article 5 of this Chapter~~ do not apply to the taxes  
31 imposed by this Article.

32 (b) Refunds. – The refunds allowed in ~~G.S. 105-164.14~~ Article 5 of this Chapter do not  
33 apply to the taxes imposed by this Article. A person who buys at least 50 new white goods of  
34 any kind in the same sale or purchase may obtain a refund equal to sixty percent (60%) of the  
35 amount of tax imposed by this Article on the white goods when all of the white goods  
36 purchased are to be placed in new or remodeled dwelling units that are located in this State and  
37 do not contain the kind of white goods purchased. To obtain a refund, a person must file an  
38 application for a refund with the Secretary. The application must contain the information  
39 required by the Secretary, be signed by the purchaser of the white goods, and be submitted by  
40 the date set by the Secretary."

41 **SECTION 3.6.** G.S. 105-187.33 reads as rewritten:

42 **"§ 105-187.33. Exemptions and refunds.**

43 Except for the exemption for sales a state cannot constitutionally tax, the exemptions and  
44 refunds allowed in G.S. 105-164.13 ~~Article 5 of this Chapter~~ do not apply to the taxes imposed  
45 by this Article. ~~The refunds allowed in G.S. 105-164.14 do not apply to the taxes imposed by~~  
46 ~~this Article."~~

47 **SECTION 3.7.** G.S. 105-259(b) reads as rewritten:

48 "(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has  
49 access to tax information in the course of service to or employment by the State may not  
50 disclose the information to any other person except as provided in this subsection. Standards  
51 used or to be used for the selection of returns for examination and data used or to be used for

1 determining the standards may not be disclosed for any purpose. All other tax information may  
2 be disclosed only if the disclosure is made for one of the following purposes:

3 ...

4 (6a) To furnish the county or city official designated under  
5 ~~G.S. 105-164.14(f)~~G.S. 105-164.29B a list of claimants that have received a  
6 refund of the county sales or use tax to the extent authorized in  
7 ~~G.S. 105-164.14(f)~~that statute.

8 ...

9 (31) ~~To verify with a related entity or strategic partner information relating to that~~  
10 ~~entity provided by a taxpayer claiming a credit under Article 3G of this~~  
11 ~~Chapter.~~

12 ...

13 (35) ~~To furnish to a taxpayer claiming a credit under Article 3G of this Chapter~~  
14 ~~information from a related entity or strategic partner to the extent that~~  
15 ~~information was used by the Secretary to adjust the amount of tax credit~~  
16 ~~claimed by the taxpayer.~~

17 ...

18 (37) To furnish the Department of Commerce with the information needed to  
19 complete the ~~studies~~study required under ~~G.S. 105-129.2A~~ and  
20 G.S. 105-129.82.

21 ...."

22 **SECTION 3.8.** G.S. 105-467(b) reads as rewritten:

23 "(b) Exemptions and Refunds. – The State exemptions and exclusions contained in  
24 G.S. 105-164.13, the State sales and use tax holidays contained in G.S. 105-164.13C and  
25 G.S. 105-164.13D, and the State refund provisions contained in G.S. 105-164.14 through  
26 G.S. 105-164.14B apply to the local sales and use tax authorized to be levied and imposed  
27 under this Article. Except as provided in this subsection, a taxing county may not allow an  
28 exemption, exclusion, or refund that is not allowed under the State sales and use tax. A local  
29 school administrative unit and a joint agency created by interlocal agreement among local  
30 school administrative units pursuant to G.S. 160A-462 to jointly purchase food service-related  
31 materials, supplies, and equipment on their behalf is allowed an annual refund of sales and use  
32 taxes paid by it under this Article on direct purchases of tangible personal property and  
33 services, other than electricity, telecommunications service, and ancillary service. Sales and use  
34 tax liability indirectly incurred by the entity on building materials, supplies, fixtures, and  
35 equipment that become a part of or annexed to any building or structure that is owned or leased  
36 by the entity and is being erected, altered, or repaired for use by the entity is considered a sales  
37 or use tax liability incurred on direct purchases by the entity for the purpose of this subsection.  
38 A request for a refund shall be in writing and shall include any information and documentation  
39 required by the Secretary. A request for a refund is due within six months after the end of the  
40 entity's fiscal year. Refunds applied for more than three years after the due date are barred."

41 **PART IV: EFFECTIVE DATE**

42 **SECTION 4.** This act becomes effective July 1, 2010. The first economic  
43 incentives report required by G.S. 105-256, as amended by this act, is due by May 1, 2011.  
44 The first claim for refund by a taxpayer whose sales tax refund period is changed by this act is  
45 due within six months after July 1, 2010, and applies to purchases during the time period not  
46 covered by the taxpayer's last claim for refund.