

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 991*

Short Title: Small Business Incentive Act. (Public)

Sponsors: Representatives Alexander and R. Moore (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Finance

April 28, 2016

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE SMALL BUSINESS INCENTIVE ACT.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-164.13 is amended by adding a new subdivision to read:

5 "**§ 105-164.13. Retail sales and use tax.**

6 The sale at retail and the use, storage, or consumption in this State of the following tangible
7 personal property, digital property, and services are specifically exempted from the tax imposed
8 by this Article:

9 ...
10 (66) Tangible personal property, other than a passenger automobile with a price
11 exceeding one hundred thousand dollars (\$100,000) or not used principally for
12 business purposes or a watercraft used principally for entertainment and
13 pleasure outings for which no admission is charged, if all of the following are
14 met:

- 15 a. It is a leasehold improvement or new equipment used to produce goods
16 or deliver services by a small business having gross annual sales of not
17 more than two million dollars (\$2,000,000).
18 b. It is capitalized by the taxpayer for tax purposes under the Code.
19 c. It has a value of at least fifty thousand dollars (\$50,000)."

20 **SECTION 2.** G.S. 105-275 is amended by adding a new subdivision to read:

21 "**§ 105-275. Property classified and excluded from the tax base.**

22 The following classes of property are designated special classes under Article V, Sec. 2(2), of
23 the North Carolina Constitution and are excluded from tax:

24 ...
25 (49) Fifteen percent (15%) of the appraised value of tangible personal property
26 exempt from sales tax pursuant to G.S. 105-164.13(66) if the tangible personal
27 property has a value of at least one hundred thousand dollars (\$100,000)."

28 **SECTION 3.** Section 1 of this act becomes effective July 1, 2016, and applies to sales
29 made on or after that date. Section 2 of this act is effective for taxes imposed for taxable years
30 beginning on or after July 1, 2016. The remainder of this act is effective when it becomes law.

