

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 969
HOUSE BILL 541

AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR THE PURCHASE OF
CONSERVATION TILLAGE EQUIPMENT FOR AGRICULTURE AND
FORESTRY.

The General Assembly of North Carolina enacts:

Section 1. Division I of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read as follows:

"§ 105-130.34. Credit for conservation tillage equipment.—(a) Any corporation that purchases conservation tillage equipment for use in a farming business, including tree farming, shall be allowed a credit against the tax imposed by this Division equal to twenty-five percent (25%) of the cost of the equipment. This credit may not exceed two thousand five hundred dollars (\$2,500) for any income year for any taxpayer. The credit may only be claimed by the first purchaser of the equipment and may not be claimed by a corporation that purchases the equipment for resale or for use outside this State. This credit may not exceed the amount of tax imposed by this Division for the taxable year reduced by the sum of all credits allowable under this Division, except tax payments made by or on behalf of the taxpayer. If the credit allowed by this section exceeds the tax imposed under this Division, the excess may be carried forward and applied to the tax imposed under this Division for the succeeding five years. The basis in any equipment for which a credit is allowed under this section shall be reduced by the amount of credit allowable.

(b) As used in this section, 'conservation tillage equipment' means:

- (1) a planter such as a planter commonly known as a 'no-till' planter designed to minimize disturbance of the soil in planting crops or trees, including equipment that may be attached to equipment already owned by the taxpayer; or,
- (2) equipment designed to minimize disturbance of the soil in reforestation site preparation, including equipment that may be attached to equipment already owned by the taxpayer; provided, however, this shall include only those items of equipment generally known as a 'KG-Blade', a 'drum-chopper', or a 'V-Blade'.

Sec. 2. Division II of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-151.12. Credit for conservation tillage equipment.—(a) Any person who purchases conservation tillage equipment for use in a farming business, including tree farming, shall be allowed a credit against the tax imposed by this Division equal to

twenty- five percent (25%) of the cost of the equipment. This credit may not exceed two thousand five hundred dollars (\$2,500) for any income year. The credit may only be claimed by the first purchaser of the equipment and may not be claimed by a person who purchases the equipment for resale or for use outside this State. This credit may not exceed the amount of tax imposed by this Division for the taxable year reduced by the sum of all credits allowable under this Division, except tax payments made by or on behalf of the taxpayer. If the credit allowed by this section exceeds the tax imposed under this Division, the excess may be carried forward and applied to the tax imposed under this Division for the succeeding five years. The basis in any equipment for which a credit is allowed under this section shall be reduced by the amount of the credit allowable.

(b) As used in this section, 'conservation tillage equipment' means:

- (1) a planter such as a planter commonly known as a 'no-till' planter designed to minimize disturbance of the soil in planting crops or trees, including equipment that may be attached to equipment already owned by the taxpayer; or,
- (2) equipment designed to minimize disturbance of the soil in reforestation site preparation, including equipment that may be attached to equipment already owned by the taxpayer; provided, however, this shall include only those items of equipment generally known as a 'KG-Blade', a 'drum-chopper', or a 'V-Blade'.

(c) In the case of conservation tillage equipment owned jointly by a husband and wife, where both spouses are required to file North Carolina income tax returns, each spouse may claim one-half of the credit allowed by this section or one spouse may claim the entire credit allowed by this section by agreement with the other spouse, provided both spouses were living together at the end of the taxable year and file their separate returns for the taxable year on the combined form."

Sec. 3. This act is effective for taxable years beginning on and after January 1, 1984.

In the General Assembly read three times and ratified, this the 25th day of June, 1984.