

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 745

Short Title: Property Donations Credit Limit.

(Public)

Sponsors: Senator Sherron.

Referred to: Finance

April 17, 1995

A BILL TO BE ENTITLED

AN ACT TO REMOVE THE CAP ON THE INCOME TAX CREDIT FOR REAL
PROPERTY DONATED FOR CONSERVATION PURPOSES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-130.34 reads as rewritten:

"§ 105-130.34. Credit for certain real property donations.

(a) Any corporation that makes a qualified donation of an interest in real property located in North Carolina during the taxable year that is useful for public beach access or use, public access to public waters or trails, fish and wildlife conservation, or other similar land conservation purposes, ~~shall be~~ is allowed a credit against the ~~taxes~~ tax imposed by this Division equal to twenty-five percent (25%) of the fair market value of the donated property interest. To be eligible for this credit, the interest in real property must be donated to and accepted by either the State, ~~local government~~ a local government, or a body that is both organized to receive and administer lands for conservation purposes and ~~is~~ is qualified to receive charitable contributions pursuant to G.S. ~~105-130.9~~; ~~provided, however, that lands~~ 105-130.9. Lands required to be dedicated pursuant to local governmental regulation or ordinance and dedications made to increase building density levels permitted under ~~such regulations or ordinances shall not be~~ the regulation or ordinance are not eligible for this credit. ~~The credit allowed under this section may not exceed twenty-five thousand dollars (\$25,000).~~ To support the credit allowed by this section, the taxpayer

1 shall file with its income tax return for the taxable year in which the credit is claimed, a
2 certification by the Department of Environment, Health, and Natural Resources that the
3 property donated is suitable for one or more of the valid public benefits set forth in this
4 subsection.

5 (b) The credit allowed by this section may not exceed the amount of tax imposed
6 by this Division for the taxable year reduced by the sum of all credits ~~allowed under this~~
7 ~~Division, allowed,~~ except payments of tax made by or on behalf of the taxpayer.

8 (c) Any unused portion of this credit may be carried forward for the next
9 succeeding five years.

10 (d) ~~The fair market value, or any portion thereof, value of a qualifying donation~~
11 ~~that is not eligible for a credit pursuant to this section may be considered as a charitable~~
12 ~~contribution pursuant to G.S. 105-130.9. That portion of the donation the basis for a~~
13 ~~credit allowed as a credit pursuant to under this section shall not be is not eligible for~~
14 ~~deduction as a charitable contribution. contribution under G.S. 105-130.9."~~

15 Sec. 2. G.S. 105-151.12 reads as rewritten:

16 "**§ 105-151.12. Credit for certain real property donations.**

17 (a) A person who makes a qualified donation of ~~interests~~ an interest in real
18 property located in North Carolina during the taxable year that is useful for (i) public
19 beach access or use, (ii) public access to public waters or trails, (iii) fish and wildlife
20 conservation, or (iv) other similar land conservation purposes, ~~shall be is~~ allowed as a
21 credit against the tax imposed by this Division an amount equal to twenty-five percent
22 (25%) of the fair market value of the donated property interest. To be eligible for this
23 credit, the interest in property must be donated to and accepted by either the State, a local
24 government, or a body that is both organized to receive and administer lands for
25 conservation purposes and ~~is~~ qualified to receive charitable contributions under the ~~Code;~~
26 ~~provided, however, that lands~~ Code. Lands required to be dedicated pursuant to local
27 governmental regulation or ordinance and dedications made to increase building density
28 levels permitted under ~~such the~~ regulations or ordinances are not eligible for this credit.
29 ~~The credit allowed under this section may not exceed twenty five thousand dollars (\$25,000).~~
30 To support the credit allowed by this section, the taxpayer shall file with the income tax
31 return for the taxable year in which the credit is claimed a certification by the Department
32 of Environment, Health, and Natural Resources that the property donated is suitable for
33 one or more of the valid public benefits set forth by this subsection.

34 (b) The credit allowed by this section may not exceed the amount of tax imposed
35 by this Division for the taxable year reduced by the sum of all credits ~~allowed under this~~
36 ~~Division, allowed,~~ except payments of tax made by or on behalf of the taxpayer.

37 Any unused portion of this credit may be carried forward for the next succeeding five
38 years.

39 (c) In order to claim the credit allowed under this section, the taxpayer must add
40 the fair market value of the donated property ~~interest, up to a maximum of one hundred~~
41 ~~thousand dollars (\$100,000), interest~~ to taxable income as provided in G.S. 105-134.6(c).

42 (d) In the case of property owned by a married couple, if both spouses are required
43 to file North Carolina income tax returns, the credit allowed by this section may be

1 claimed only if the spouses file a joint return. If only one spouse is required to file a
2 North Carolina income tax return, that spouse may claim the credit allowed by this
3 section on a separate return.

4 (e) In the case of marshland for which a claim has been filed pursuant to G.S. 113-
5 205, the offer of donation must be made before December 31, 1998, to qualify for the
6 credit allowed by this section."

7 Sec. 3. G.S. 105-134.6(c)(5) reads as rewritten:

8 "(5) The fair market ~~value, up to a maximum of one hundred thousand dollars~~
9 ~~(\$100,000),~~ value of the donated property interest for which the taxpayer
10 claims a credit for the taxable year under G.S. 105-151.12 and the
11 market price of the gleaned crop for which the taxpayer claims a credit
12 for the taxable year under G.S. 105-151.14."

13 Sec. 4. This act is effective for taxable years beginning on or after January 1,
14 1995.