

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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**SENATE BILL 208\***

Short Title: Review Tax Credits Periodically.

(Public)

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Sponsors: Senators Kerr, Cochrane, Dalton, Hartsell, Hoyle; and Rand.

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Referred to: Finance.

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March 2, 1999

**A BILL TO BE ENTITLED**

**AN ACT TO PROVIDE FOR PERIODIC REVIEW AND RENEWAL OF STATE TAX CREDITS.**

The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that tax credits are enacted from time to time to encourage or reward behavior that is beneficial to the State. These tax credits are tax expenditures that, like appropriations, spend public funds for the benefit of certain businesses, interest groups, and other taxpayers. Unlike appropriations, however, these tax credits may continue in perpetuity, costing the public millions of dollars each year without periodic review by the General Assembly. In order to allow the General Assembly the opportunity to consider each tax credit on its merits from time to time to determine whether it continues to serve a public purpose that justifies its cost to the public, each tax credit should be sunset every three years. After enactment of this act, those businesses, interest groups, and other taxpayers who benefit from these tax credits are encouraged to demonstrate the continued need for each tax credit. It is the intent of the General Assembly to review these tax credits and renew all that continue to serve a valid public purpose.

Section 2.(a) The following sections of Chapter 105 of the General Statutes are repealed effective for costs incurred and investments made during taxable years beginning on or after January 1, 2001:

- 1 § 105-130.23. Credit against corporate income tax for solar energy equipment  
2 in residential buildings.
- 3 § 105-151.2. Credit for solar energy equipment.
- 4 § 105-130.25. Credit against corporate income tax for construction of  
5 cogenerating power plants.
- 6 § 105-130.26. Credit for conversion of industrial boiler to wood fuel.
- 7 § 105-151.5. Credit for conversion of industrial boiler to wood fuel.
- 8 § 105-130.27. Credit against corporate income tax for construction of a fuel  
9 ethanol distillery.
- 10 § 105-151.6. Credit for construction of a fuel ethanol distillery.
- 11 § 105-130.27A. Credit for construction of a peat facility.
- 12 § 105-130.28. Credit for construction of a photovoltaic equipment facility.
- 13 § 105-130.29. Credit for construction of an olivine brick facility.
- 14 § 105-130.30. Credit for construction of a methane gas facility.
- 15 § 105-151.10. Credit for construction of a methane gas facility.
- 16 § 105-130.31. Credit for installation of a wind energy device.
- 17 § 105-151.9. Credit for installation of a wind energy device.
- 18 § 105-130.32. Credit for installation of solar energy equipment for the  
19 production of heat or electricity in certain processes.
- 20 § 105-151.8. Credit for installation of solar energy equipment for the production of  
21 heat or electricity in certain processes.
- 22 § 105-130.33. Credit against corporate income tax for installation of a  
23 hydroelectric generator.
- 24 § 105-151.7. Credit for installation of a hydroelectric generator.
- 25 § 105-130.36. Credit for conservation tillage equipment.
- 26 § 105-151.13. Credit for conservation tillage equipment.
- 27 § 105-130.42. Credit for rehabilitating an historic structure.
- 28 § 105-151.23. Credit for rehabilitating an historic structure.
- 29 § 105-130.44. Credit for construction of poultry composting facility.
- 30 § 105-151.25. Credit for construction of a poultry composting facility.
- 31 § 105-163.011. (Repealed effective for investments made on or after January 1,  
32 2003) [Qualified Business Investment] Tax credits allowed.
- 33 Section 2.(b) The following sections of Chapter 105 of the General Statutes are  
34 repealed effective for dwelling units completed during taxable years beginning on or after  
35 January 1, 2001:
- 36 § 105-130.22. Tax credit for construction of dwelling units for handicapped  
37 persons.
- 38 § 105-151.1. Credit for construction of dwelling units for handicapped persons.
- 39 Section 2.(c) The following sections of Chapter 105 of the General Statutes are  
40 repealed effective for donations made during taxable years beginning on or after January  
41 1, 2001:
- 42 § 105-130.34. Credit for certain real property donations.
- 43 § 105-151.12. Credit for certain real property donations.

1 § 105-130.37. Credit for gleaned crop.

2 § 105-151.14. Credit for gleaned crop.

3 § 105-151.26. Credit for charitable contributions by nonitemizers.

4 Section 2.(d) The following sections of Chapter 105 of the General Statutes are  
5 repealed effective for taxable years beginning on or after January 1, 2001:

6 § 105-130.39. Credit for certain telephone subscriber line charges.

7 § 105-130.43. Credit for savings and loan supervisory fees.

8 § 105-151.21. Credit for property taxes paid on farm machinery.

9 § 105-151.27. Credit for child health insurance.

10 § 105-151.28. Credit for premiums paid on long-term care insurance.

11 Section 2.(e) The following sections of Chapter 105 of the General Statutes  
12 are repealed effective for charges assessed during taxable years beginning on or after  
13 January 1, 2001:

14 § 105-130.41. Credit for North Carolina State Ports Authority wharfage,  
15 handling, and throughput charges.

16 § 105-151.22. Credit for North Carolina State Ports Authority wharfage,  
17 handling, and throughput charges.

18 § 105-228.5A. Credit against gross premium tax for assessments paid to the  
19 Insurance Guaranty Association and the Life and Health Insurance  
20 Guaranty Association.

21 Section 3. This act does not affect the rights or liabilities of the State, a  
22 taxpayer, or another person arising under a statute repealed by this act before the  
23 effective date of its repeal; nor does it affect the right to any refund or credit of a tax that  
24 accrued under the repealed statute before the effective date of its repeal.

25 Section 4. This act becomes effective for taxable years beginning on or after  
26 January 1, 2001.