

June 17, 2002

H 1753. BILL LEE ACT CHANGES. TO MAKE CHANGES TO THE BILL LEE ACT TAX CREDITS FOR INVESTING IN MACHINERY AND EQUIPMENT FOR JOB CREATION. GS 105-129.8 allows a tax credit for a taxpayer who has five or more full-time employees and creates one or more new full-time jobs. Act sets new "applicable threshold," which is the appropriate number of new jobs created above which a taxpayer earns this credit. Thresholds are: tier one 0 jobs, tier two 5 jobs, tier three 10 jobs, tier four 15 jobs, and tier five 25 jobs. GS 105-129.9 allows taxpayer, in tiers one through five, that has purchased or leased eligible machinery and equipment a tax credit of 7% of the excess of investment over the applicable threshold. Act sets percent of credit by tier: tier one 7%, tier two 7%, tier three 6%, tier four 5%, tier five 4%. Changes threshold investment required to earn this credit for tier four from \$500,000 to \$1 million and for tier five from \$1 million to \$2 million. Effective for business activities that occur on or after Jan. 1, 2002.

Intro. by Luebke.

Ref. to Finance	GS 105
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October 1, 2002

H 1753. BOND AND INCENTIVE ACT OF 2002 (NEW). Intro. 6/17/02. House committee substitute makes the following changes to 1st edition. Replaces original bill with bill entitled "*AN ACT TO AMEND THE FILM INDUSTRY DEVELOPMENT ACCOUNT; TO AMEND THE CONDEMNATION AUTHORITY OF NORTH CAROLINA RAILROADS; TO ESTABLISH A GRADUATED RATE STRUCTURE FOR THE CORPORATE INCOME TAX; AND TO AMEND PROVISIONS RELATING TO INDUSTRIAL AND POLLUTION CONTROL FACILITIES FINANCING.*" Amends GS 143B 434.3(a) to provide that only production companies with expenditures in NC of \$ 1 million or more are eligible for film industry incentive grants. Requires the Revenue Laws Study Comm. to study options for additional economic incentives for the film industry and to report to the 2003 General Assembly. Modifies GS 40A-3(a)(4) to remove requirement that use of eminent domain by railroad to construct industrial siding be contingent on order of NC Utilities Comm'n. Changes C Corporation income tax rate established in GS 105-130.3 as follows:

<u>State Net Income</u>	<u>Tax Rate</u>
Up to \$3,000	1 %
Over \$3,000-6,000	2 %
Over \$6,000-9,000	3 %
Over \$9,000-12,000	4 %
Over \$12,000-15,000	5 %
Over \$15,000-30,000	6 %
Over \$30,000	6.9 %

Amends GS 159D-7(d) to provide for a single public hearing procedure for multiple project bonds. Amends GS 159D-8(b) to add "credit enhancement" to the Local Gov't Comm'n considerations in approving industrial and pollution control bonds.