

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 1251

Short Title: Sales Tax Exemption for Items Used in R&D. (Public)

Sponsors: Representatives Wainwright; Gibson and Parmon.

Referred to: Finance.

April 18, 2005

A BILL TO BE ENTITLED
AN ACT TO EXEMPT TANGIBLE PERSONAL PROPERTY USED IN RESEARCH
AND DEVELOPMENT FROM SALES AND USE TAX.

The General Assembly of North Carolina enacts:

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

"(54) Sales of tangible personal property to an information technology company for use in generating qualified North Carolina research expenses. For purposes of this subdivision, the term 'qualified North Carolina research expenses' has the same meaning as defined in G.S. 105-129.50 and the term 'information technology company' means a company that engages in providing goods or services related to one or more of the following: electronic data processing, telecommunications, security devices, microprocessors, software, information processing, office systems, the Internet, consulting, or other services for the design or redesign of information technology supporting business processes."

SECTION 2. This act becomes effective January 1, 2006, and applies to sales made on or after that date.