

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

H.B. 1117
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HOUSE PRINCIPAL CLERK

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HOUSE DRH30580-MC-268W (05/15)

Short Title: Enhance R&D Tax Credit for Small Businesses. (Public)

Sponsors: Representative Wray.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ENHANCE THE TECHNOLOGY DEVELOPMENT TAX CREDITS FOR
3 SMALL BUSINESSES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-129.50(10) reads as rewritten:

6 "The definitions in section 41 of the Code apply in this Article. In addition, the following
7 definitions apply in this Article:

8 ...

9 (10) Small business. – A business whose annual receipts, combined with the
10 annual receipts of all related persons, for the applicable period of
11 measurement did not exceed ~~one million dollars (\$1,000,000)~~; two million
12 five hundred thousand dollars (\$2,500,000)."

13 **SECTION 2.** G.S. 105-129.55(a) reads as rewritten:

14 "(a) Qualified North Carolina Research Expenses. – A taxpayer that has qualified North
15 Carolina research expenses for the taxable year is allowed a credit equal to a percentage of the
16 expenses, determined as provided in this section. Only one credit is allowed under this section
17 with respect to the same expenses. If more than one subdivision of this section applies to the
18 same expenses, then the credit is equal to the higher percentage, not both percentages
19 combined. If part of the taxpayer's qualified North Carolina research expenses qualifies under
20 more than one subdivision of this section, the applicable percentages apply separately to each
21 part of the expenses.

22 (1) Small business. – If the taxpayer was a small business as of the last day of
23 the taxable year, the applicable percentage is ~~three and one quarter percent~~
24 ~~(3.25%)~~; five percent (5%).

25 ...

26 (2a) University research. – For North Carolina university research expenses, the
27 applicable percentage is ~~twenty percent (20%)~~; twenty-five percent (25%).

28"

29 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,
30 2013.



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