

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

H

2

HOUSE BILL 1598*
Committee Substitute Favorable 6/12/07

Short Title: Extend Qualified Business Venture Tax Credit.

(Public)

Sponsors:

Referred to:

April 19, 2007

A BILL TO BE ENTITLED

AN ACT TO EXTEND THE SUNSET ON THE TAX CREDITS FOR QUALIFIED
BUSINESS INVESTMENTS AND TO CLARIFY HOW THE CREDIT CAP FOR
INDIVIDUALS APPLIES TO MARRIED COUPLES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-163.015 reads as rewritten:

"§ **105-163.015. Sunset.**

This Part is repealed effective for investments made on or after January 1,
~~2008-2011.~~"

SECTION 2. G.S. 105-163.011(b) reads as rewritten:

"(b) Individuals. – Subject to the limitations contained in G.S. 105-163.012, an individual who purchases the equity securities or subordinated debt of a qualified business directly from that business is allowed as a credit against the tax imposed by Part 2 of this Article for the taxable year an amount equal to twenty-five percent (25%) of the amount invested. The aggregate amount of credit allowed an individual for one or more investments in a single taxable year under this Part, whether directly or indirectly as owner of a pass-through entity, may not exceed fifty thousand dollars (\$50,000). In the case of an investment made by a married couple, if both spouses are required to file North Carolina income tax returns, the credit allowed by this section may be claimed only if the spouses file a joint return. The aggregate amount of credit allowed to a husband and wife filing a joint tax return may not exceed one hundred thousand dollars (\$100,000). If only one spouse is required to file a North Carolina income tax return, that spouse may claim the credit allowed by this section on a separate return. The credit may not be taken for the year in which the investment is made but shall be taken for the taxable year beginning during the calendar year in which the application for the credit becomes effective as provided in subsection (c) of this section."

SECTION 3. Section 2 of this act is effective for taxable years beginning on or after January 1, 2007. The remainder of this act is effective when it becomes law.