

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

S

3

SENATE BILL 848  
Agriculture/Environment/Natural Resources Committee Substitute Adopted  
4/22/03  
House Committee Substitute Favorable 7/7/04

Short Title: Advanced Vehicle Research Center Incentive.

(Public)

Sponsors:

Referred to:

April 3, 2003

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE A TAX INCENTIVE FOR AN ADVANCED VEHICLE  
3 RESEARCH CENTER IN NORTHAMPTON COUNTY.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Article 3B of Chapter 105 of the General Statutes is amended  
6 by adding a new section to read:

7 "**§ 105-129.16D. Credit for advanced vehicle research center.**

8 (a) Definitions. – The following definitions apply in this section:

9 (1) Advanced vehicle research center. – A facility designed to conduct  
10 transportation research, development, and testing of vehicles using  
11 advanced technologies, which may include hybrid and multifuel  
12 systems, drive-by-wire, intelligent highway, and nonfossil fuel  
13 technologies.

14 (2) Advanced vehicle research entity. – An entity chartered to operate an  
15 advanced vehicle research center in the State.

16 (3) Related entity. – Defined in G.S. 105-130.7A.

17 (b) Credit. – A taxpayer that contributes cash or property to an advanced vehicle  
18 research entity for construction or operation of an advanced vehicle research center is  
19 allowed a credit equal to a percentage of the value of the contribution. A contribution is  
20 for construction or operation of an advanced vehicle research center if the advanced  
21 vehicle research entity receiving the contribution contracts in writing to use the  
22 contribution for this purpose and agrees in the contract to repay to the taxpayer, with  
23 interest, any part of the contribution not used for this purpose. The credit may not be  
24 taken for the year in which the contribution is made but must be taken for the taxable  
25 year beginning during the calendar year in which the application for the credit becomes  
26 effective as provided in this section.

1       (c) Amount. – If the center is located in an enterprise tier one area, the amount of  
2 the credit is seventy-five percent (75%) of the first five hundred thousand dollars  
3 (\$500,000) in value, forty percent (40%) of the next five hundred thousand dollars  
4 (\$500,000) in value, and twenty-five percent (25%) of the remaining value of the  
5 contribution. If the center is not located in an enterprise tier one area, the amount of the  
6 credit is twenty-five percent (25%) of the value of the contribution.

7       (d) Limitations. – No credit is allowed to a taxpayer that is a related entity with  
8 respect to the advanced vehicle research entity. No credit is allowed to the extent the  
9 taxpayer receives anything of value in exchange for the contribution.

10       (e) Application. – To be eligible for the tax credit provided in this section, the  
11 taxpayer must request the credit on an application filed with the Secretary on or before  
12 April 15 of the year following the calendar year in which the contribution was made.  
13 The Secretary may grant extensions of this deadline, as the Secretary finds appropriate,  
14 upon the request of the taxpayer, except that the application may not be filed after  
15 September 15 of the year following the calendar year in which the contribution was  
16 made. An application is effective for the year in which it is timely filed. The application  
17 must be on a form prescribed by the Secretary and must include any supporting  
18 documentation that the Secretary may require.

19       (f) Ceiling. – The total amount of all tax credits allowed to taxpayers under this  
20 section for contributions made in a calendar year may not exceed a maximum of five  
21 million dollars (\$5,000,000). The Secretary of Revenue must calculate the total amount  
22 of tax credits requested on the applications filed under this section. If the total amount  
23 of tax credits requested for contributions made in a calendar year exceeds the maximum  
24 amount, the Secretary must allow a portion of the credits requested by allocating the  
25 maximum amount in tax credits in proportion to the size of the credit requested by each  
26 taxpayer. If a credit is reduced pursuant to this subsection, the Secretary must notify the  
27 taxpayer of the amount of the reduction of the credit on or before December 31 of the  
28 year the application was filed. The Secretary's allocations based on applications filed  
29 pursuant to this section are final and will not be adjusted to account for credits applied  
30 for but not claimed.

31       (g) Forfeiture. – A taxpayer forfeits a credit allowed under this section to the  
32 extent the advanced vehicle research entity uses the taxpayer's contribution for any  
33 purpose other than construction or operation of an advanced vehicle research center. A  
34 taxpayer that forfeits a credit under this section is liable for all past taxes avoided as a  
35 result of the credit plus interest at the rate established under G.S. 105-241.1(i),  
36 computed from the date the taxes would have been due if the credit had not been  
37 allowed. The past taxes and interest are due 30 days after the date the credit is forfeited;  
38 a taxpayer that fails to pay the past taxes and interest by the due date is subject to the  
39 penalties provided in G.S. 105-236."

40       **SECTION 2.** This act is effective for taxable years beginning on or after  
41 January 1, 2004, and applies to contributions made on or after July 1, 2004.