

## NC-478E - Investing in Central Office or Aircraft Facility Property

The credit for investing in central office or aircraft facility property expired for taxable years beginning on or after January 1, 2007. The following instructions for completing Part 3 and Part 4 of the NC-478E apply to taxpayers that continue to take installments of the credit and any unused portion of prior years' credits.

### Part 3. Computation of Amount To Be Taken in 2014.

- Line 1.** Enter the 2007 installment amount.  
(From 2007 NC-478E, Part 3, Line 13)
- Line 2.** Enter the portion of installments not taken from previous years.
- Line 3.** Add Lines 1 and 2. **This is the amount of credit to take in 2014 for investing in central office or aircraft facility property.** (Carry amount to Line 5 of NC-478)

### Part 4. Central Office or Aircraft Facility Property Credit History

**Table.** The purpose of the Credit History Table is to provide a means for taxpayers to track both the credit amount available for each tax year and the actual credit taken as an installment. By using the Credit History Table, taxpayers can verify that the amount of credit taken for each installment does not exceed the amount of credit actually available to the taxpayer. The table also provides a means for tracking any unused portion of an installment that can be carried to future years or has expired. (**Note.** *The installment portion of the Credit History Table can not be completed in its entirety until after completing Part 3 of NC-478.*)

<b>Office Employees in NC at Year-end</b>	In the 2007 column, enter the number of office employees in N.C. for the year as previously reported on NC-478E.
<b>Credit Amount</b>	In the 2007 column, enter the total credit amount as calculated on the prior years' NC-478E.
<b>Installments</b>	In the 2007 column, enter the amount of installment actually taken in the tax year. The amount of installment taken includes the amount of installment utilized during that tax year plus any unused portion of a prior year's installment taken in that tax year.

**Carryforwards Taken** If any portion of a prior year's installment is taken in tax year 2014, enter the amount in the applicable column. (**Important.** *Carryforwards taken do not include the amount of current year's installment taken. Carryforwards taken should only be entered if in 2014 a portion of a prior year's installment is utilized.*)

**Carryforwards To Take In Future** If the current year's installment is not fully utilized in tax year 2014, enter the amount not taken as a carryforward to take in the future. (**Important.** *Carryforwards to take in the future do not include eligible installments to be taken in future years. Carryforwards to take in the future should only be entered if in 2014 a portion of a current year's installment can not be utilized due to the 50% of tax limitation.*)

**Expired Installments** If an installment expires, enter the amount of expired credit. Generally, a credit for investing in central office or aircraft facility property expires if a taxpayer fails to meet the general eligibility requirements described previously or if the central office or aircraft facility property is disposed of, taken out of service, or moved out of North Carolina prior to the end of the seven-year period in which the credit is claimed. (*For a detailed example on how to calculate the amount of expired installment, see the "Guidelines for Article 3A Tax Credits" available from the Department's website.*)

**Pass-through entities. S corporations claiming the credit against income tax** complete Parts 3 and 4 by including the amounts allocated to those nonresident shareholders on whose behalf a composite return is being filed. On Part 3, Line 2, include only the carryforwards for those nonresident shareholders on whose behalf a composite return is filed in both the prior year and the current year. **Partnerships** complete Parts 3 and 4 by including the amounts allocated to those nonresident partners on whose behalf the managing partner pays the tax. On Part 3, Line 2, include only the carryforwards for those nonresident partners on whose behalf the partnership pays tax in both the prior year and the current year. **Estates and Trusts** complete Parts 3 and 4 by including only the amount that is allocated to the fiduciary.