

# 2001 Tax Credit Investing in Machinery and Equipment North Carolina Department of Revenue

|                                  |                                |             |
|----------------------------------|--------------------------------|-------------|
| Legal Name (First 10 Characters) | NAICS Code of Primary Business | SSN or FEIN |
|                                  |                                |             |

**To be entitled to claim the tax credit for investing in machinery and equipment, you must:**

- Meet the general eligibility requirements of G.S. 105-129.4
  - Place purchased or leased machinery and equipment (M & E) in service in N.C. during the tax year
  - Not lease the M & E to another
  - Not claim the credit for technology commercialization for the same M & E
- Capitalize the M & E if not part of a large investment (\$150 million)
  - If a large investment (\$150 million), capitalize the M & E or lease it from another
  - Attach a certification of eligibility from the N.C. Secretary of Commerce

**Business Information:** Use a separate Form NC-478B for each tier in which you invested in M & E. If you invested in M & E at more than one business location in the same tier, complete this section for one location and attach a sheet giving the requested information for each additional location in the tier.

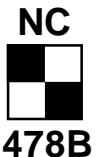
|  |   |  |
|--|---|--|
| <p><b>Type of Business</b><br/>Fill in applicable circle:</p> <p><input type="radio"/> Air courier services</p> <p><input type="radio"/> Central office or aircraft facility with 40 new jobs</p> <p><input type="radio"/> Computer services</p> <p><input type="radio"/> Customer service center in Tier 1, Tier 2, or Tier 3</p> <p><input type="radio"/> Data processing</p> <p><input type="radio"/> Electronic mail order house with 250 new jobs in Tier 1, Tier 2, or Tier 3</p> <p><input type="radio"/> Manufacturing</p> <p><input type="radio"/> Warehousing as primary business</p> <p><input type="radio"/> Warehousing as primary activity of an establishment in Tier 1, Tier 2, or Tier 3</p> <p><input type="radio"/> Wholesale trade</p> | <p><b>Name, Address, and County of Business Location</b></p> <div style="border: 1px solid black; height: 80px; width: 100%;"></div> <p><b>Qualifying Information</b></p> <p>NAICS Code of Business Location <input style="width: 80px;" type="text"/></p> <p>Wage standard for county where M &amp; E are placed in service <input style="width: 80px;" type="text"/></p> <p>Average weekly wage of jobs at location where M &amp; E are placed in service <input style="width: 80px;" type="text"/></p> <p>Health insurance carrier <input style="width: 80px;" type="text"/></p> | <p><b>Tier and Status Information</b><br/>Fill in all applicable circles:</p> <p><input type="radio"/> Tier 1      <input type="radio"/> Tier 4</p> <p><input type="radio"/> Tier 2      <input type="radio"/> Tier 5</p> <p><input type="radio"/> Tier 3</p> <p><input type="radio"/> Development zone<br/>Date zone designated <input style="width: 80px;" type="text"/></p> <p>Zone number <input style="width: 80px;" type="text"/></p> <p><input type="radio"/> Tier based on letter of commitment<br/>Date letter signed <input style="width: 80px;" type="text"/></p> <p><input type="radio"/> Large investment (\$150 million)<br/>Investment at year-end <input style="width: 80px;" type="text"/></p> <p><input type="radio"/> Taxpayer is insurer subject to gross premiums tax</p> |
|--|---|--|

**Part 1. Computation of Eligible Credit Amount for Investing in M & E in 2001**

*(The first installment of this credit must be taken on the 2002 tax return.)*

|   |           |           |           |             |        |        |           |           |           |             |           |
|---|-----------|-----------|-----------|-------------|--------|--------|-----------|-----------|-----------|-------------|-----------|
| <b>1. Cost of M &amp; E purchased or leased and placed in service in N.C. during 2001</b>   | _____ .00 |           |           |             |        |        |           |           |           |             |           |
| <b>2. Cost of all M &amp; E in service in N.C. on last day of 2001</b> <i>(Enter here and in Part 2)</i>  | _____ .00 |           |           |             |        |        |           |           |           |             |           |
| <b>3. Cost of all M &amp; E in service in N.C. on last day of base year</b> <i>(From Part 2)</i><br>The base year is that year, of the three years immediately preceding the year in which the M & E are placed in service, in which the taxpayer had the most M & E in service in N.C.   | _____ .00 |           |           |             |        |        |           |           |           |             |           |
| <b>4. Line 2 minus Line 3</b>   | _____ .00 |           |           |             |        |        |           |           |           |             |           |
| <b>5. Eligible Investment Amount</b><br>Lesser of Line 1 or Line 4; if Line 4 is zero or less, enter zero   | _____ .00 |           |           |             |        |        |           |           |           |             |           |
| <b>6. Tier threshold</b> <i>(Enter amount for applicable Tier)</i>  | _____ .00 |           |           |             |        |        |           |           |           |             |           |
| <table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width:15%;">Tier 1</td> <td style="width:15%;">Tier 2</td> <td style="width:15%;">Tier 3</td> <td style="width:15%;">Tier 4</td> <td style="width:15%;">Tier 5</td> </tr> <tr> <td>\$ -0-</td> <td>\$100,000</td> <td>\$200,000</td> <td>\$500,000</td> <td>\$1,000,000</td> </tr> </table> | Tier 1    | Tier 2    | Tier 3    | Tier 4      | Tier 5 | \$ -0- | \$100,000 | \$200,000 | \$500,000 | \$1,000,000 | _____ .00 |
| Tier 1  | Tier 2    | Tier 3    | Tier 4    | Tier 5      |        |        |           |           |           |             |           |
| \$ -0-  | \$100,000 | \$200,000 | \$500,000 | \$1,000,000 |        |        |           |           |           |             |           |
| <b>Note:</b> If M & E placed in service over 2-year period, see instructions  |           |           |           |             |        |        |           |           |           |             |           |
| <b>7. Excess of cost over applicable threshold</b> <i>(Line 5 minus Line 6)</i><br>If number is zero or less, <b>stop here</b> ; you are not eligible for the credit  | _____ .00 |           |           |             |        |        |           |           |           |             |           |
| <b>8. Eligible Credit Amount for Investment in M &amp; E in 2001</b><br>Multiply Line 7 by 7%; enter here and in the M & E Credit History table in Part 4   | _____ .00 |           |           |             |        |        |           |           |           |             |           |
| <b>9. Amount of each future installment</b><br>Divide Line 8 by the number 7 (Credit is taken in 7 installments)  | _____ .00 |           |           |             |        |        |           |           |           |             |           |

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Name \_\_\_\_\_ SSN or FEIN \_\_\_\_\_

**Part 2. M & E in Service in N.C. on Last Day of Tax Year**

| Tax Year | Amount | Tax Year | Amount | Tax Year | Amount | Tax Year | Amount |
|----------|--------|----------|--------|----------|--------|----------|--------|
| 1994     |        | 1996     |        | 1998     |        | 2000     |        |
| 1995     |        | 1997     |        | 1999     |        | 2001     |        |

**Part 3. Computation of Amount Eligible To Be Taken in 2001**

|  | Franchise | Income |
|--|-----------|--------|
| <b>1. 1st Installment of 2000 Credit</b><br>1/7th of 2000 eligible credit amount (From 2000 NC-478B, Part 1, Line 9)       | .00       | .00    |
| <b>2. 2nd Installment of 1999 Credit</b><br>1/7th of 1999 eligible credit amount (From 1999 NC-478B, Part 1, Line 9)       | .00       | .00    |
| <b>3. 3rd Installment of 1998 Credit</b><br>1/7th of 1998 eligible credit amount   | .00       | .00    |
| <b>4. 4th Installment of 1997 Credit</b><br>1/7th of 1997 eligible credit amount   | .00       | .00    |
| <b>5. 5th Installment of 1996 Credit</b><br>1/7th of 1996 eligible credit amount   | .00       | .00    |
| <b>6. Carryforwards</b><br>Installments not taken for M & E in tax years 1996 - 1999                                       | .00       | .00    |
| <b>7. Eligible Credit Amount to Take in Tax Year 2001</b><br>Add Lines 1- 6; enter here and on Form NC-478, Part 1, Line 2 | .00       | .00    |

**Part 4. M & E Credit History**

In the columns for tax years 1997 through 2000, list the eligible credit amount for which the taxpayer qualified in the tax year, the subsequent installments of that credit that have been taken in following years, and the other information requested. In the column for tax year 2001, list only the 2001 eligible credit amount from Part 1, Line 8. Installments of a credit expire in the year the taxpayer disposes of, takes out of service, or moves out of North Carolina M & E for which the taxpayer qualified for a credit unless the taxpayer's net reduction in M & E does not exceed 20% of the cost of the disposed M & E. The credit also expires if the taxpayer fails to provide health insurance for the employees at the location of the M & E for which the taxpayer qualified for the credit.

| Tax Year                               | 1996                 | 1997                 | 1998                 | 1999                 | 2000                 | 2001                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Eligible Credit Amount</b>          |                      |                      |                      |                      |                      |                      |
|  | <i>Taken in 1997</i> | <i>Taken in 1998</i> | <i>Taken in 1999</i> | <i>Taken in 2000</i> | <i>Taken in 2001</i> | <i>Taken in 2002</i> |
| <b>1st</b>                             | Franchise            |                      |                      |                      |                      |                      |
|  | Income               |                      |                      |                      |                      |                      |
| <b>2nd</b>                             | <i>Taken in 1998</i> | <i>Taken in 1999</i> | <i>Taken in 2000</i> | <i>Taken in 2001</i> | <i>Taken in 2002</i> | <i>Taken in 2003</i> |
|  | Franchise            |                      |                      |                      |                      |                      |
| <b>3rd</b>                             | <i>Taken in 1999</i> | <i>Taken in 2000</i> | <i>Taken in 2001</i> | <i>Taken in 2002</i> | <i>Taken in 2003</i> | <i>Taken in 2004</i> |
|  | Franchise            |                      |                      |                      |                      |                      |
| <b>4th</b>                             | <i>Taken in 2000</i> | <i>Taken in 2001</i> | <i>Taken in 2002</i> | <i>Taken in 2003</i> | <i>Taken in 2004</i> | <i>Taken in 2005</i> |
|  | Franchise            |                      |                      |                      |                      |                      |
| <b>5th</b>                             | <i>Taken in 2001</i> | <i>Taken in 2002</i> | <i>Taken in 2003</i> | <i>Taken in 2004</i> | <i>Taken in 2005</i> | <i>Taken in 2006</i> |
|  | Franchise            |                      |                      |                      |                      |                      |
|  | Income               |                      |                      |                      |                      |                      |
| <b>Carryforwards Taken</b>             |                      |                      |                      |                      |                      |                      |
| <b>Carryforwards to Take in Future</b> |                      |                      |                      |                      |                      |                      |
| <b>Expired Installments</b>            |                      |                      |                      |                      |                      |                      |

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