

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. If you qualified for the Article 3A investing in central office or aircraft facility property credit prior to January 1, 2007, you can continue to take carryforwards of prior years' credit by entering the amount on Form NC-478, Line 5.

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 carryforward of prior years' installments.

Part 3. Computation of Amount To Be Taken in 2009. (The information requested for Part 3 is a cumulative total for all establishments and should be entered only once on the last NC-478E filed.)

- Line 1.** Enter the 2007 installment amount.
(From 2007 NC-478E, Part 3, Line 13.)
- Line 2.** Enter the 2006 installment amount.
(From 2006 NC-478E, Part 3, Line 13.)
- Line 3.** Enter the 2005 installment amount.
(From 2005 NC-478E, Part 3, Line 13.)
- Line 4.** Enter the 2004 installment amount.
(From 2004 NC-478E, Part 3, Line 13.)
- Line 5.** Enter the 2003 installment amount.
(From 2003 NC-478E, Part 3, Line 13.)
- Line 6.** Enter the 2002 installment amount.
(From 2002 CD-478E, Part 1, Line 15.)
- Line 7.** Enter the portion of installment amounts not taken for tax years 1997 through 2006.
- Line 8.** Add Lines 1 through 7. **This is the amount of credit to take in 2009 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 information requested for Part 4 is a cumulative total for all establishments and should be entered only once on the last NC-478E filed. The installment portion of Credit History Table can not be completed in its entirety until after completing Part 3 of NC-478.)

- Office Employees in NC at Year-end** In the 2002 through 2007 columns, enter the number of office employees in N.C. for each year as previously reported on NC-478E.
- Credit Amount** In the 2002 through 2007 columns, enter the total credit amount as calculated on the prior years' NC-478E.

Installments In the 2002 through 2007 columns, enter the amount of installment actually taken in each tax year. The amount of installment taken includes the amount of each year's installment utilized during that tax year plus any unused portion of a prior year's installment taken in that tax year. (For more information on the Credit History Table, see the detailed example.)

Carryforwards Taken If any portion of a prior year's installment is taken in tax year 2009, 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 2009 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 2009, 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 2009 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 in the applicable column. 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 7, 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 7, include only the carryforwards for those nonresident partners on whose behalf the partnership pays tax in both the prior year and the current year. **Trusts and estates** complete Parts 3 and 4 by including only the amount that is allocated to the fiduciary.