



March 15, 2024

Important Notice: Tax Credits Involving Partnerships

On 10 September 2018, the North Carolina Department of Revenue issued an Important Notice concerning tax credits involving partnerships (“Important Notice.”) The North Carolina Business Court recently issued decisions addressing tax credits involving partnerships. See *John M. and Rebecca B. McCabe v. N.C. Department of Revenue*, 2023 NCBC 28 (N.C. Super. Ct. April 3, 2023) and *N.C. Farm Bureau Mutual Insurance Company, Inc. v. N.C. Department of Revenue*, 2023 NCBC 29 (N.C. Super. Ct. April 3, 2023). Considering the Business Court decisions, the Important Notice is withdrawn, and the Department will administer the law consistent with the *McCabe* and *Farm Bureau* decisions.

This notice is effective as of 14 March 2024. If you have any questions about this notice, you may email the North Carolina Department of Revenue at TaxAdministration@ncdor.gov.

To the extent there is any change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding the subject of this notice and issued prior to this notice conflict with this notice, the provisions contained in this important notice supersede the previous guidance.