



Important Notice: Sunset for Tax Credits – Effect on Future Installments and Carryforwards

Beginning with tax year 2014, various tax credits are set to be repealed. Taxpayers that qualified for these tax credits may continue to take any remaining installments and carryforwards of those tax credits after the sunset date if the taxpayer continues to meet the statutory eligibility requirements for each particular tax credit.

For example, currently, the Article 3J credit for creating jobs is repealed for business activities that occur on or after January 1, 2014. In tax year 2013, a taxpayer, which met all eligibility requirements set out in N.C. Gen. Stat. § 105-129.83 and satisfied the threshold requirement for job creation, creates jobs in this State. The taxpayer claimed the jobs credit by filing Form NC-478A (the applicable NC-478 series form) and by paying the fee of \$500.00 with the 2013 tax return on April 15, 2014. The taxpayer is allowed to take the first installment of the 2013 jobs credit on its 2014 tax return. Any unused portion of the first installment may be carried forward for the succeeding five years. The taxpayer is allowed to continue to take remaining installments as long as the taxpayer continues to meet the requirements of N.C. Gen. Stat. § 105-129.83 and N.C. Gen. Stat. § 105-129.87. If the taxpayer fails to maintain eligibility requirements, remaining installments are forfeited and only the carryforward amount of a previously accrued installment may be taken, subject to the carry forward provisions of N.C. Gen. State § 105-129.84.