

North Carolina Department of Revenue

William S. Lee Tax Credits

Research and Development Processed during Calendar Year 2005

Taxpayer	Eligible Expenses	General Credits Generated	NC Portion of Fed Credit	Alternative Credits Generated
Tier 1				
ABB, Inc.	\$ 3,826,039	\$ 191,302	\$ 0	\$ 0
Avoca, Inc.	610,290	30,515	0	0
BIC Consumer Products Mfg. Co.	101,277	5,064	0	0
Catapult Communications Corporation	4,513,788	225,690	0	0
Clarcor Air Filtration Products	262,692	13,135	0	0
Conti, Daniel J.	102,688	5,134	0	0
Dynapar Corporation	417,861	20,893	0	0
Enovia Corporation	8,657,158	432,858	0	0
Hi-Tex, Inc.	207,725	10,386	0	0
Honeywell International, Inc.	0	0	31,465	7,866
Hornet Capital, LLC	869,566	17,844	0	0
Keihin Carolina Sys. Technology, Inc.	636,401	31,820	0	0
Lorillard Tobacco Company	15,896,858	1,033,305	0	0
Lucent Technologies, Inc.	1,742,140	87,107	0	0
Peopleclick, Inc.	1,889,170	94,459	0	0
Pioneer Hi-Bred International, Inc.	0	0	51,874	12,969
Prather, Edward C.	102,688	5,134	0	0
Railroad Friction Products Co.	850,392	42,520	0	0
STX, Inc.	107	5	0	0
Trinity Manufacturing, Inc.	228,139	11,407	0	0
Varian, Inc.	0	0	8,617	2,154
Wm. T. Burnett Company, Inc.	349	17	0	0
Wm. T. Burnett Management, Inc.	228	11	0	0
Wm. T. Burnett Operating, LLP	85,423	4,206	0	0
Total Tier 1	\$41,000,979	\$2,262,812	\$91,956	\$22,989
Tier 2				
Atlantic Corporation of Wilmington	\$ 3,397	\$ 170	\$ 0	\$ 0
Broyhill Furniture Industries	1,178	59	0	0
Campbell Soup Supply Company, LLC	274,262	13,713	0	0
Curtiss Wright Controls, Inc.	710,927	35,546	0	0
Drexel Industries, Inc.	964,822	48,241	0	0
Graphic Packaging International	371,579	18,579	0	0
Henredon Furniture Industries	2,399,801	119,991	0	0
Hoffer Flow Controls, Inc.	338,117	16,906	0	0
Micro Audiometrics Corporation	129,619	6,481	0	0
Miller Brewing Company	1,027	51	0	0

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Tier 2				
Milliken & Company	\$ 7,308	\$ 365	\$ 0	\$ 0
Neuville Industries, Inc.	180,567	9,028	0	0
Pioneer Motor Bearing Company	14,205	710	0	0
Total Tier 2	\$ 5,396,809	\$269,840	\$ 0	\$ 0
Tier 3				
Beiersdorf-BSN Jobst, Inc.	\$ 0	\$ 0	\$ 47,787	\$ 11,947
Bergman Enterprises, Inc.	138,815	6,941	0	0
Bernhardt Furniture Company	4,104,394	205,220	0	0
Broyhill Furniture Industries	606,344	30,317	0	0
Caterpillar, Inc.	11,101	555	0	0
Cooper Industries, Inc.	227,762	11,388	0	0
Cooper Standard Automotive, Inc.	1,529,682	76,484	0	0
Cross Sales and Engineering Co.	231,022	11,551	0	0
Curtiss Wright Controls, Inc.	5,208	260	0	0
E I du Pont de Nemours and Company	0	0	325,742	81,436
Easco Hand Tools, Inc.	226,139	11,307	0	0
Fiber Composites, LLC	879,508	43,976	0	0
Gaston Systems	218,125	10,906	0	0
Goerlich's, Inc.	911,893	45,595	0	0
Henredon Furniture Industries	263,975	13,199	0	0
Kidde Technologies, Inc.	0	0	5,443	1,361
Merck & Company, Inc.	0	0	41,489	10,372
Mount Olive Pickle Company, Inc.	64,416	3,221	0	0
Noveon, Inc.	734,817	36,741	14,993	3,748
Pisgah Labs, Inc.	641,965	32,098	0	0
Red Valve Company, Inc.	61,951	3,098	0	0
Tactical Support Equipment	202,217	10,111	0	0
Tektone Sound and Signal Mfg., Inc.	0	0	16,121	4,030
Whitley Products, Inc.	261,014	13,051	0	0
Total Tier 3	\$11,320,348	\$566,019	\$451,575	\$ 112,894
Tier 4				
Abbott Laboratories	\$ 0	\$ 0	\$422,291	\$ 105,573
Adams Wholesale Company	74,421	3,721	0	0
Altec, Inc.	291,544	14,577	0	0
Athol Manufacturing Corporation	883,668	44,183	0	0
Aylward Enterprises, Inc.	1,505,114	75,256	0	0
BSH Home Appliances Corporation	0	0	27,101	6,775
Buxco Electronics, Inc.	197,555	9,878	0	0
Candle Corporation of America	845,634	42,282	0	0
Caterpillar, Inc.	249,408	12,470	0	0
Centro, Inc.	127,196	6,360	0	0
CKS Packaging, Inc.	611,397	30,570	0	0

Taxpayer	Eligible Expenses	General Credits Generated	NC Portion of Fed Credit	Alternative Credits Generated
Tier 4				
Dorsetts, Inc.	\$ 28,732	\$ 1,437	\$ 0	\$ 0
Eon Labs, Inc.	1,375,296	68,765	0	0
Flow Sciences, Inc.	23,503	1,175	0	0
Grady White Boats, Inc.	1,228,627	61,431	0	0
Greer Laboratories, Inc.	2,172,079	108,604	0	0
Henredon Furniture Industries	284,886	14,244	0	0
Hi-Tech Fuses, Inc.	329,042	16,452	0	0
Klaussner Furniture Industries, Inc.	917,653	45,883	0	0
Lane Furniture Industries, Inc.	22,279	1,114	0	0
Moen, Inc.	2,396,252	119,812	0	0
Network Integrity Systems, Inc.	158,368	7,918	0	0
Oliver Rubber Company	763,854	38,192	0	0
Polysi Technologies, Inc.	127,054	6,353	0	0
PPG Industries, Inc.	1,136,833	56,842	0	0
S 2 Yachts, Inc.	44,012	2,201	0	0
Sealy Technology, LLC	2,335,958	116,798	0	0
Shat-R-Shield, Inc.	298,139	14,907	0	0
Tandemloc, Inc.	350,131	17,507	0	0
The Challenge Ptg. Co. of the Carolinas	186,346	9,317	0	0
Thomasville Furniture Inds., Inc.	470,122	23,506	0	0
Wheatstone Corporation	525,941	26,297	0	0
Total Tier 4	\$19,961,044	\$ 998,052	\$449,392	\$112,348
Tier 5				
ADC DSL Systems, Inc.	\$ 3,668,155	\$ 183,408	\$ 0	\$ 0
Aigis Mechtronics, LLC	0	0	13,352	3,338
Aladdin Manufacturing Corporation	44,889	2,244	0	0
Alcatel US	0	0	121,425	30,356
Amarr Company	295,608	14,780	0	0
American Bioscience, Inc.	1,251,474	62,574	0	0
Analog Devices, Inc.	19,047,292	952,364	0	0
Apollo Chemical Company	165,777	8,289	0	0
Argos Therapeutics, Inc.	1,470,387	73,519	0	0
Art.Com, Inc.	402,505	20,125	0	0
Arvinmeritor, Inc.	1,891,936	94,597	0	0
Asico, LLC	45,548	2,277	0	0
Ateb, Inc.	227,147	11,357	0	0
ATI Industrial Automation	358,228	17,911	0	0
Atlas	49,894	3	0	0
Atmel Corporation	0	0	69,728	17,432
Aurora Terra, LLC	53,148	2,657	0	0
AVL Technologies, Inc.	353,120	17,656	0	0
Banner Pharmacaps, Inc.	2,069,759	103,488	0	0
Bayer Corporation	10,698,281	534,914	0	0

Taxpayer	Eligible Expenses	General Credits Generated	NC Portion of Fed Credit	Alternative Credits Generated
Tier 5				
Becton Dickinson and Company	\$ 4,273,151	\$ 213,658	\$ 0	\$ 0
Biogen Idec US Limited Partner	1,201,920	60,096	0	0
Biomerieux, Inc.	21,827,941	1,091,397	0	0
Biosignia, Inc.	871,767	43,589	0	0
Bonset America Corporation	198,276	9,914	0	0
Borgwarner Turbo Systems, Inc.	1,548,886	77,444	0	0
Broadcom Corporation	920,107	46,005	0	0
Brothers Research Corporation	58,876	2,944	0	0
Bus-Tech, Inc.	485,631	24,282	0	0
C3-Ilex, LLC	726,246	36,312	0	0
CA Research, Inc.	0	0	25,776	6,444
Camstar Systems, Inc.	26,973	1,349	0	0
Carrier Corporation	128,483	6,424	0	0
Castle Branch, Inc.	264,777	13,239	0	0
Caterpillar, Inc.	2,980,816	149,041	0	0
CEM Holdings Corporation	669,169	33,458	0	0
Charlotte Pipe and Foundry Company	1,857,431	92,872	0	0
Ciena Corporation	5,722,194	286,110	0	0
Cipheroptics, Inc.	2,882,063	144,103	0	0
Cisco Systems, Inc.	0	0	6,570,937	1,642,734
Clariant Corporation	1,922,530	96,127	0	0
Closure Medical Corporation	4,151,201	207,560	0	0
*Compass Group USA, Inc.	98,167	98,167	0	0
Cooper Tools, Inc.	765,054	38,253	0	0
Cree, Inc.	16,995,701	849,785	0	0
Crispin Corporation	221,683	11,084	0	0
Cross Sales and Engineering Co.	245,312	12,266	0	0
Cummins Atlantic, Inc.	215,257	10,763	0	0
Danvil Management Systems, Inc.	244,298	12,215	0	0
Datafirst Corporation	191,143	9,557	0	0
Deere & Company	0	0	90,225	22,556
Delta Consolidated Industries, Inc.	100,846	5,042	0	0
Digital Optics Corporation	1,128,812	56,441	0	0
Drexel Industries, Inc.	465,643	23,282	0	0
DTS Software, Inc.	133,291	6,665	0	0
Dynisco Holdings, LLC	31,776	1,432	0	0
Dynogen Pharmaceuticals, Inc.	1,616,274	80,814	0	0
E. H. Wright Company	58,819	2,941	0	0
Eisai, Inc.	4,433,026	221,651	0	0
Eli Lilly and Company	19,655,605	982,780	0	0
Empiric Systems, LLC	330,507	16,526	0	0
Emporos Systems Corporation	457,366	22,868	0	0
Energy Conv. Systems Holdings, LLC	153,933	7,697	0	0
Erico Products, Inc.	70,666	3,533	0	0

<u>Taxpayer</u>	<u>Eligible Expenses</u>	<u>General Credits Generated</u>	<u>NC Portion of Fed Credit</u>	<u>Alternative Credits Generated</u>
Tier 5				
Ericsson IP Infrastructure, Inc.	\$ 0	\$ 0	\$ 14,741	\$ 3,685
Ericsson, Inc.	0	0	43,739	10,935
Extreme Networks, Inc.	1,288,152	64,408	0	0
Fiber Industries, Inc.	3,051,581	152,579	0	0
Flow Sciences, Inc.	164,875	8,244	0	0
GD Advanced Info. Systems, Inc.	0	0	13,627	3,407
Gilead Sciences, Inc.	8,652,859	432,643	0	0
Global Software, Inc.	0	0	16,868	4,217
Goulston Technologies, Inc.	855,061	42,753	0	0
Haht Commerce, Inc.	2,286,440	114,322	0	0
Hand Held Products, Inc.	454,359	22,718	0	0
Harris Corporation	0	0	156,356	39,089
Hatteras Networks, Inc.	1,965,264	98,263	0	0
Hayward Pool Products, Inc.	573,857	28,693	0	0
Health Decisions, Inc.	2,629,940	131,497	0	0
Henredon Furniture Industries	568,002	28,400	0	0
Honda Power Equipment Mfg., Inc.	175,995	8,800	0	0
IBM	0	0	13,582,196	3,395,549
IC Compliance, LLC	33,160	1,575	0	0
Idocuments, LLC	372,088	17,299	0	0
Impact Technologies Group, Inc.	88,865	4,443	0	0
Infineon Technologies NA Corp.	6,135,323	306,766	0	0
Inspire Pharmaceuticals, Inc.	10,311,807	515,590	0	0
Instancy, Inc.	38,069	1,903	0	0
Instrument Transformer Equip. Corp.	84,451	4,223	0	0
Intersil Communications, Inc.	7,565,126	378,256	0	0
Itron, Inc.	1,619,479	80,974	0	0
Kewaunee Scientific Corporation	435,233	21,762	0	0
L&H Technologies, Inc.	682,138	34,107	0	0
Lance Manufacturing, Inc.	293,658	14,683	0	0
LB Plastics, Inc.	241,941	12,097	0	0
Linear Technology Corporation	603,979	30,199	0	0
Lord Corporation	4,743,863	237,193	0	0
Mack Molding Company	0	0	25,738	6,435
Marketech Systems, Inc.	149,973	7,499	0	0
Maxim Integrated Products, Inc.	219,459	10,973	0	0
Medi-Physics, Inc.	2,619,252	130,557	0	0
Milco Enterprises, Inc.	21,450	1,073	0	0
Monolith Corporation	231,232	11,562	0	0
Morflex, Inc.	158,520	7,926	0	0
Morris Associates, Inc.	334,725	16,736	0	0
Mother Murphy's Laboratories, Inc.	0	0	12,282	3,071
Motricity, Inc.	394,870	19,744	0	0
Network Appliance, Inc.	0	0	239,072	59,768

Taxpayer	Eligible Expenses	General Credits Generated	NC Portion of Fed Credit	Alternative Credits Generated
Tier 5				
Nilex Construction, LLC	\$ 146,096	\$ 7,305	\$ 0	\$ 0
Nitronex Corporation	2,172,067	108,603	0	0
Nomaco, Inc.	0	0	14,139	3,535
Nomacor, LLC	0	0	9,732	2,433
Nortel Networks, Inc.	31,383,372	1,569,169	0	0
Novartis Animal Health US, Inc.	0	0	20,183	5,046
Novartis Pharmaceuticals Corporation	0	0	652,618	163,155
Novatech, LLC	961,104	48,055	0	0
Noveon Textile Chemicals, Inc.	187,514	9,376	3,826	957
Novovita, Inc.	97,938	4,897	0	0
Novozymes North America, Inc.	99,263	4,963	0	0
Nvidia Corporation	4,373,932	218,697	0	0
OEC Graphics--Chicago, LLC	350,208	17,510	0	0
OS Partners, LLC	14,827	741	0	0
Pfizer, Inc.	13,774,307	688,715	0	0
Pharmacia Corporation	65,084	3,254	0	0
Pharsight Corporation	870,628	43,531	0	0
Polyzen, Inc.	0	0	2,418	605
Porta-Nails, Inc.	46,695	2,335	0	0
Precision Fabrics Group, Inc.	8,219,086	410,954	0	0
Preferred Medical Mktg. Corp.	114,341	5,717	0	0
PST Associates, LLC	101,087	5,054	0	0
Purolator Facet, Inc.	186,259	9,313	0	0
Raindrop Geomagic, Inc.	653,974	32,699	0	0
Red Storm Entertainment, Inc.	2,006,346	100,317	0	0
Relativity Technologies, Inc.	375,747	18,787	0	0
RF Micro Devices, Inc.	23,885,443	1,194,272	0	0
Ring Industrial Group, LP	1,427,955	71,398	0	0
Rutland Plastic Technologies	0	0	17,241	4,310
SAS Institute, Inc.	0	0	4,662,618	1,165,655
SBS Technologies, Inc.	0	0	20,226	5,057
Schaefer Systems Int'l., Inc.	50,689	2,534	0	0
Schwarz Biosciences, Inc.	37,181,770	1,859,089	0	0
Scott Technologies, Inc.	1,020,762	51,038	0	0
Serverworks Corporation	16,165	808	0	0
Slickedit, Inc.	35,020	1,751	0	0
Smithkline Beecham Corporation	61,154,889	3,057,744	0	0
Stella Nova Technologies, Inc.	113,496	5,675	0	0
Stockhausen, Inc.	241,743	12,087	0	0
Surety, LLC	805,391	40,270	0	0
Syngenta Biotechnology, Inc.	0	0	657,047	164,262
Syngenta Crop Protection, Inc.	0	0	570,651	142,663
Synopsys, Inc.	10,918	546	0	0
Synthematrix, Inc.	653,244	32,662	0	0

Taxpayer	Eligible Expenses	General Credits Generated	NC Portion of Fed Credit	Alternative Credits Generated
Tier 5				
Tekelec	\$ 12,596,850	\$ 629,843	\$ 0	\$ 0
The Quantum Group, Inc.	83,630	4,182	0	0
The Sherwin-Williams Company	203,982	10,199	0	0
The Steel Network, Inc.	100,758	5,038	0	0
Toter, Inc.	598,505	29,925	0	0
Transi, Inc.	1,163,720	58,186	0	0
Triangle Systems, Inc.	155,258	7,763	0	0
Trident Datacom Technologies	35,851	1,793	0	0
Tyco Electronics Corporation	1,784,108	89,205	0	0
Tyco Healthcare Group, LP	1,455,514	72,776	0	0
U.S. Fiber, Inc.	610,588	30,529	0	0
Ultimus, Inc.	138,123	6,906	0	0
Unichem, Inc.	182,612	9,131	0	0
Union Carbide Corporation	1,187,062	59,353	0	0
US Greenfiber, LLC	1,373,950	68,698	0	0
Varga, Joseph S.	0	0	750	188
Vecoplan Holding Corporation	29,027	871	0	0
Weld-On Adhesives, Inc.	593,887	29,694	0	0
Wilmore Electronics Company	342,248	17,112	0	0
Wilson-Cook Medical, Inc.	1,062,088	53,104	0	0
Zilliant, Inc.	26,159	1,308	0	0
Total Tier 5	\$418,991,091	\$21,037,791	\$27,627,511	\$6,906,882
Tier Unknown				
Edwards, Andrew S.	\$ 0	\$ 0	\$ 12,556	\$ 3,139
Gratale, Peter	0	0	168	42
Total Tier Unknown	\$ 0	\$ 0	\$ 12,724	\$ 3,181
Grand Total	\$496,670,271	\$25,134,514	\$28,633,158	\$7,158,294

Source: Policy Analysis and Statistics Division, Department of Revenue.

*Compass Group USA reported credits equaling the dollar amounts of reported Research and Development spending in Tier 5, resulting in an apparent overstatement of credits generated of \$93,259.

Notes: Information from taxpayer returns, including taxpayer errors and omissions, is shown as reported. All returns are subject to audit. Amounts for any one taxpayer may reflect credits generated in multiple years. Affiliated taxpayers are reported individually. Taxpayers who failed to identify their tier have been placed in the tier of their mailing address as reported to the Department of Revenue or as otherwise available.