CD-425

2005 Corporate Tax Credit Summary

North Carolina Department of Revenue

Legal Name *(First 10 Characters)*

Federal Employer ID Number

Part 1. Franchise Tax Credits Not Subject to 50% of Tax Limit *(Attach schedule for each credit.)*

1. Short period credit for change in income year

365 DAYS − ( ) *(Number of Days in Short Period)* = ( ) / 365 × ( ) Prior Year's Franchise Tax Liability = ▶ 1. .00

2. Major computer manufacturing facility ▶ 2. .00

3. Other franchise tax credits not subject to 50% of tax limit ▶ 3. .00

Fill in applicable circles:

- ○ **1/2 of the amount of piped natural gas tax paid under G.S. 105-187.43**
- ○ **Investing in recycling facilities**
- ○ **Expenses related to dividends** *(Bank/Electric Holding Co. only)*

4. Total franchise tax credits not subject to 50% of tax limit *(Add Lines 1, 2, and 3)* 4. .00

Part 2. Computation of Franchise Tax Credits Taken in 2005

5. Total franchise tax due *(From Form CD-405 or CD-401S, Schedule A, Line 5)* 5. .00

6. Add Lines 2 and 3, enter result here 6. .00

7. Enter the lesser of Line 5 or 6 7. .00

8. Total franchise tax credits subject to 50% of tax limit taken in 2005 ▶ 8. .00
(From Form NC-478, Part 3, Line 31)

9. Enter amount from Line 1 9. .00

10. Total Franchise Tax Credits Taken in 2005
Add Lines 7 through 9, enter the result here and on Form CD-405 or CD-401S, Schedule A, Line 6b 10. .00

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Part 3. Income Tax Credits Not Subject to 50% of Tax Limit *(Attach schedule for each credit.)*

(S Corporations enter only amount of income tax credits allocated to nonresident shareholders filing composite.)

11. Rehabilitating an income-producing historic structure ▶ 11. .00
(Also complete Part 5, Line 30)

12. Rehabilitating a nonincome-producing historic structure ▶ 12. .00
(Also complete Part 5, Line 31)

13. Major computer manufacturing facility ▶ 13. .00

14. Certain real property donations ▶ 14. .00

15. Savings and loan supervisory fees ▶ 15. .00

16. Other income tax credits not subject to 50% of tax limit ▶ 16. .00

Fill in applicable circles:

- ○ **Cogeneration Plant**
- ○ **Conservation Tillage**
- ○ **Gleaned Crops**
- ○ **Subscriber Charges**
- ○ **Poultry Composting**
- ○ **Investing in Recycling Facilities**
- ○ **Qualified Business Investments** *(S Corporations only)*
- ○ **Expenses Related to Dividends** *(Bank/Electric Holding Co. Only)*
- ○ **Handicapped Dwelling**

17. Income tax credits not subject to 50% of tax limit carried over from previous years ▶ 17. .00
(Do not include any carryover of income tax credits claimed on Form NC-478)

18. Reinvestments by major recycling facilities ▶ 18. .00

19. Total income tax credits not subject to 50% of tax limit *(Add Lines 11 through 18)* 19. .00

Form CD-425 must be attached to the last page of Form CD-405 or CD-401S if a tax credit is claimed.

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Part 4. Computation of Income Tax Credits Taken in 2005

20. N.C. net income tax due *(From Form CD-405, Schedule B, Line 26 or CD-401S, Schedule B, Line 22)* **20.** .00

21. Add Lines 11 through 17, enter result here **21.** .00

22. Enter the lesser of Line 20 or 21 **22.** .00

23. Total income tax credits subject to 50% of tax limit taken in 2005 ▶ **23.** .00
(From Form NC-478, Part 3, Line 31)

24. Enter amount from Line 18 **24.** .00

25. Add Lines 22 through 24 **25.** .00

26. Add Lines 14 and 15, enter result here **26.** .00

27. Income tax credits subject to G.S. 105-130.5(a)(10) adjustment **27.** .00
Subtract Line 26 from Line 25

28. Income Tax Credit Adjustment *(C Corporations complete Line 28a. S Corporations with nonresident shareholders filing composite, complete Line 28b.)*

a. C Corporation adjustment **28a.** .00
Multiply Line 27 by 6.90%

b. S Corporation adjustment ▶ **28b.** .00
If only one nonresident shareholder is filing composite or if all shareholders filing composite are subject to the same tax rate, multiply Line 27 by the current individual income tax rate used to calculate N.C. income tax. *(See Form CD-401S, Schedule B, Line 22)* **Note: If there is more than one nonresident shareholder filing composite and all shareholders are not subject to the same income tax rate, see worksheet in instructions for adjustment computation.**

29. Total Income Tax Credits Taken in 2005 **29.** .00
C Corporations subtract Line 28a from Line 25, enter result here and on Form CD-405, Schedule B, Line 27. S Corporations with nonresident shareholders filing composite subtract Line 28b from Line 25, enter result here and on Form CD-401S, Schedule B, Line 23.

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Part 5. Expenses Incurred for Which the First Installment of a Historic Rehabilitation Tax Credit is Taken in 2005

*(Complete Lines 30 and 31 **only** if a tax credit on Part 3, Line 11 or Line 12 is taken.)*

30. Enter the amount of qualified rehabilitation expenditures for which the income-producing credit on Line 11 is taken. ▶ **30.** .00

31. Enter the amount of rehabilitation expenses for which the nonincome-producing credit on Line 12 is taken. ▶ **31.** .00

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Failure to substantiate a tax credit may result in the disallowance of that credit.