The credit for investing in real property is applicable only to real property placed in service in a development tier one area. Property placed in service in an urban progress zone or an agrarian growth zone is not considered to be placed in service in a tier one area for purposes of this credit. The credit for investing in real property is taken in seven equal installments beginning in the tax year following the year in which the real property was placed in service. Any unused portion of the credit may be carried forward for five succeeding years. In addition, in order to claim the credit for investing in real property, you must provide all the eligibility information requested on the Article 3J Supplement.

The following instructions for completing Part 1 through Part 4 of NC-478L apply to individuals, S corporations claiming the credit against franchise tax, and C corporations. Partnerships, S corporations claiming the credit against income tax, and other pass-through entities, see the specific instructions for pass-through entities located after the instructions for Part 4.

**Part 1. Computation of Credit for Investing in Real Property in 2008.** *(The information requested in Part 1 is for a single county at which real property was placed in service during tax year 2008. If real property was placed in service in more than one county in 2008, complete a separate NC-478L for each county.)*

**Line 1.** Enter the Tier 1 county where the real property was placed in service.

**Line 2.** Enter the cost of real property placed in service in North Carolina during 2008. *(Note. The information requested on Part 1, Line 2 is the total cost of real property placed in service in North Carolina during the tax year and will be the same on all NC-478Ls filed for tax year 2008.)*

**Line 3.** Enter the cost of real property in service in North Carolina on the last day of 2008. *(Note. The information requested on Part 1, Line 3 is the total cost of real property in service in North Carolina during the tax year and will be the same on all NC-478Ls filed for tax year 2008.)*

**Line 4.** Enter the cost of real property in service in North Carolina on the last day of the base year. *(Note. The information requested on Part 1, Line 4 is the total cost of real property in service in North Carolina on the last day of the base year and will be the same number on all NC-478Ls filed for tax year 2008.)*

**Line 5.** Subtract Line 4 from Line 3. This is the excess of the cost of all eligible real property on the last day of 2008 over the cost of all eligible real property in North Carolina on the last day of the base year.

**Line 6.** Enter the lesser of Line 2 or Line 5. This is the eligible investment amount for investing in real property statewide.

**Line 7.** Enter the amount of Line 6 located in this county.

**Line 8.** Enter the percentage of real property used in an eligible business in 2008.

**Line 9.** Multiply Line 7 by Line 8. This is the eligible investment amount for investing in real property in this county in 2008.

**Line 10.** Multiply Line 9 by 30%. *(This is the amount of credit for investing in real property in this county in 2008.)*