2003 Tax Credit
Investing in Machinery and Equipment
North Carolina Department of Revenue

File with NC-478

Part 1. Business Information (If you invested in M & E at more than one establishment, use a separate Form NC-478B for Parts 1 and 2 for each establishment.)

- Type of Business (Fill in applicable circle.)
  - Air courier services
  - Central office or aircraft facility
  - Computer services
  - Customer service center for telecommunications or financial services company in Tier 1, Tier 2, or Tier 3
  - Data processing
  - Electronic mail order house in Tier 1, Tier 2, or Tier 3
  - Manufacturing
  - Warehousing if primary business
  - Warehousing if primary activity of an establishment in Tier 1, Tier 2, or Tier 3
  - Wholesale trade

- Name, Address, and County of Establishment

- Tier, Development Zone, and Health Insurance Information (Fill in applicable circles.)
  - Tier based on letter of commitment
    - Tier 1
    - Tier 2
    - Tier 3
    - Tier 4
    - Tier 5
  - Establishment in a development zone
    - Date zone designated
      (MM-DD-YY)
    - Date letter signed
      (MM-DD-YY)
    - Tier based on letter of commitment

- NAICS Code of Establishment

- Wage standard for county where M & E are placed in service

- Average weekly wage of all jobs at this establishment

Part 2. Computation of Eligible Credit Amount for Investing in M & E in 2003 (The first installment of this credit must be taken on the 2004 tax return.)

1. Cost of M & E purchased or leased and placed in service in N.C. during 2003

2. Cost of all M & E in service in N.C. on the last day of 2003 (Enter here and in Part 3)

3. Cost of all M & E in service in N.C. on the last day of the base year (From Part 3)
   The base year is that year, of the three years immediately preceding the year in which the M & E are placed in service, in which the taxpayer had the most M & E in service in N.C.

4. Line 2 minus Line 3 (If Line 4 is zero or less, enter zero.)

5. Eligible Investment Amount Statewide (Enter the lesser of Line 1 or Line 4)

6. Eligible Investment Amount at this Establishment

7. Tier threshold
   Enter amount for applicable Tier. If M & E placed in service over 2-year period, see instructions

<table>
<thead>
<tr>
<th>Tier</th>
<th>Tier 2</th>
<th>Tier 3</th>
<th>Tier 4</th>
<th>Tier 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-0-</td>
<td>$100,000</td>
<td>$200,000</td>
<td>$1,000,000</td>
<td>$2,000,000</td>
</tr>
</tbody>
</table>

8. Excess of eligible investment amount over applicable threshold (Line 6 minus Line 7)
   If number is zero or less, stop here; you are not eligible for the credit

9. Eligible Credit Amount for Investment in M & E at this Establishment in 2003
   Multiply Line 8 by applicable percentage for each Tier from the table below; enter result here and in the M & E Credit History Table in Part 5

<table>
<thead>
<tr>
<th>Tier</th>
<th>Tier 2</th>
<th>Tier 3</th>
<th>Tier 4</th>
<th>Tier 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>7%</td>
<td>7%</td>
<td>6%</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

10. Amount of each future installment
    Divide Line 9 by the number 7 (Credit is taken in 7 installments)

Part 3. M & E in Service in N.C. on Last Day of Tax Year

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td></td>
</tr>
</tbody>
</table>
### Part 4. Computation of Amount Eligible To Be Taken in 2003

| 11. 1st Installment of 2002 Credit (1/7th of 2002 eligible credit amount) | Franchise: 0.00 | Income: 0.00 |
| 12. 2nd Installment of 2001 Credit (1/7th of 2001 eligible credit amount) | Franchise: 0.00 | Income: 0.00 |
| 13. 3rd Installment of 2000 Credit (1/7th of 2000 eligible credit amount) | Franchise: 0.00 | Income: 0.00 |
| 14. 4th Installment of 1999 Credit (1/7th of 1999 eligible credit amount) | Franchise: 0.00 | Income: 0.00 |
| 15. 5th Installment of 1998 Credit (1/7th of 1998 eligible credit amount) | Franchise: 0.00 | Income: 0.00 |
| 16. 6th Installment of 1997 Credit (1/7th of 1997 eligible credit amount) | Franchise: 0.00 | Income: 0.00 |
| 17. 7th Installment of 1996 Credit (1/7th of 1996 eligible credit amount) | Franchise: 0.00 | Income: 0.00 |

**Carryforwards**

Portion of installments not taken in tax years 1996-2001

**Eligible Credit Amount to Take in Tax Year 2003**

Add Lines 11-18; enter here and on Form NC-478, Part 1, Line 2

### Part 5. M & E Credit History Table

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Credit Amount</td>
<td>Taken in 1997</td>
<td>Taken in 1998</td>
<td>Taken in 1999</td>
<td>Taken in 2000</td>
<td>Taken in 2001</td>
<td>Taken in 2002</td>
<td>Taken in 2003</td>
<td>Taken in 2004</td>
</tr>
</tbody>
</table>

**Franchise**

1st Installments

- Taken in 1997
- Taken in 1998
- Taken in 1999
- Taken in 2000
- Taken in 2001
- Taken in 2002
- Taken in 2003
- Taken in 2004

**Income**

1st Installments

- Taken in 1997
- Taken in 1998
- Taken in 1999
- Taken in 2000
- Taken in 2001
- Taken in 2002
- Taken in 2003
- Taken in 2004

2nd Installments

- Taken in 1998
- Taken in 1999
- Taken in 2000
- Taken in 2001
- Taken in 2002
- Taken in 2003
- Taken in 2004
- Taken in 2005

3rd Installments

- Taken in 1999
- Taken in 2000
- Taken in 2001
- Taken in 2002
- Taken in 2003
- Taken in 2004
- Taken in 2005
- Taken in 2006

4th Installments

- Taken in 2000
- Taken in 2001
- Taken in 2002
- Taken in 2003
- Taken in 2004
- Taken in 2005
- Taken in 2006
- Taken in 2007

5th Installments

- Taken in 2001
- Taken in 2002
- Taken in 2003
- Taken in 2004
- Taken in 2005
- Taken in 2006
- Taken in 2007
- Taken in 2008

6th Installments

- Taken in 2002
- Taken in 2003
- Taken in 2004
- Taken in 2005
- Taken in 2006
- Taken in 2007
- Taken in 2008
- Taken in 2009

7th Installments

- Taken in 2003
- Taken in 2004
- Taken in 2005
- Taken in 2006
- Taken in 2007
- Taken in 2008
- Taken in 2009
- Taken in 2010

**Carryforwards Taken Carrying Forwards to Take in Future**

**Expired Installments**

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