

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 69*

Short Title: Tax Relief/Competitiveness/AB.

(Public)

Sponsors: Senators Hoyle, Parnell; Forrester, Soles, Speed, Dannelly, Odom, Plyler, Rand, and Lucas.

Referred to: Finance.

January 26, 1995

A BILL TO BE ENTITLED

**AN ACT TO PROVIDE TAX RELIEF AND ECONOMIC COMPETITIVENESS FOR
NORTH CAROLINA.**

The General Assembly of North Carolina enacts:

Section 1. This act shall be known as the Tax Relief and Economic Competitiveness Act of 1995.

The General Assembly finds that:

(1) The economic competitiveness of North Carolina depends upon a competitive tax structure for both business and personal taxes.

(2) A study comparing North Carolina taxes on business and households to those in 21 states that compete for jobs and investment with North Carolina found that while North Carolina has an overall favorable and competitive tax climate, there are several taxes out of line with a competitive tax environment.

(3) The corporate income tax rate and the intangibles tax negatively affect North Carolina's economic competitiveness and can inhibit future job creation and investment.

(4) Working families and families with children in North Carolina facing growing economic pressures; accordingly, tax relief should be targeted

1 to working families to increase the rewards from work and enhance the
2 ability of working families to provide for the basic needs of their
3 families and support and educate their children.

- 4 (5) Property taxes can threaten low-income elderly and disabled
5 homeowners with the loss of their homes; relief from property taxes can
6 help these homeowners stay in their homesteads.

7 For these reasons, the General Assembly enacts the Tax Relief and Economic
8 Competitiveness Act of 1995 to provide broad-based tax relief to North Carolina
9 taxpayers, to target tax relief to working families with children, to ease the tax burden of
10 low-income elderly and disabled homeowners, and to promote the economic
11 competitiveness of North Carolina and stimulate jobs, wages, and investment.

12 INCREASE PERSONAL EXEMPTIONS

13 Sec. 2. G.S. 105-134.6(c)(4) reads as rewritten:

- 14 "(4) The amount by which the taxpayer's standard deduction has been
15 increased for inflation under section 63(c)(4)(A) of the Code and the
16 amount by which each of the taxpayer's personal exemptions have~~has~~
17 been increased for inflation above two thousand five hundred dollars
18 (\$2,500) under section 151(d)(4)(A) of the Code. For the purpose of this
19 subdivision, if the taxpayer's personal exemptions have been reduced by
20 the applicable percentage under section 151(d)(3) of the Code, the
21 amount by which each of the personal exemptions~~have~~has
22 been increased for inflation above two thousand five hundred dollars (\$2,500)
23 is also reduced by the applicable percentage."

24 CHILD TAX CREDIT

25 Sec. 3. Effective for taxable years beginning on or after January 1, 1995,
26 Division II of Chapter 105 of the General Statutes is amended by adding a new section to
27 read:

28 **"§ 105-151.24. Credit for children.**

29 An individual is allowed as a credit against the tax imposed by this Division an
30 amount equal to fifty dollars (\$50.00) for each dependent child for whom the individual
31 was allowed to deduct a personal exemption under section 151(c)(1)(b) of the Code for
32 the taxable year. A nonresident or part-year resident who claims the credit allowed by
33 this section shall reduce the amount of the credit by multiplying it by the fraction
34 calculated under G.S. 105-134.5(b) or (c), as appropriate. The credit allowed under this
35 section may not exceed the amount of tax imposed by this Division for the taxable year
36 reduced by the sum of all credits allowed, except payments of tax made by or on behalf
37 of the taxpayer."

38 EXPAND HOMESTEAD EXEMPTION

39 Sec. 4. Effective for taxes imposed for taxable years beginning on or after July
40 1, 1996, G.S. 105-277.1 reads as rewritten:

41 **"§ 105-277.1. Property classified for taxation at reduced valuation.**

42 (a) Exclusion. – The following class of property is designated a special class of
43 property under Article V, Sec. 2(2) of the North Carolina Constitution and shall be

1 assessed for taxation in accordance with this section. The first ~~fifteen thousand dollars~~
2 ~~(\$15,000)~~ eighteen thousand dollars (\$18,000) in appraised value of a permanent
3 residence owned and occupied by a qualifying owner is excluded from taxation. A
4 qualifying owner is an owner who meets all of the following requirements as of January 1
5 preceding the taxable year for which the benefit is claimed:

- 6 (1) Is at least 65 years of age or totally and permanently disabled.
- 7 (2) Has an income for the preceding calendar year of not more than ~~eleven~~
8 ~~thousand dollars (\$11,000)~~ fifteen thousand dollars (\$15,000).
- 9 (3) Is a North Carolina resident.

10 An otherwise qualifying owner does not lose the benefit of this exclusion because of a
11 temporary absence from his or her permanent residence for reasons of health, or because
12 of an extended absence while confined to a rest home or nursing home, so long as the
13 residence is unoccupied or occupied by the owner's spouse or other dependent.

14 (b) Definitions. – When used in this section, the following definitions shall apply:

- 15 (1) Code. – The Internal Revenue Code, as defined in G.S. 105-228.90.
- 16 (1a) Income. – Adjusted gross income, as defined in section 62 of the Code,
17 plus all other moneys received from every source other than gifts or
18 inheritances received from a spouse, lineal ancestor, or lineal
19 descendant. For married applicants residing with their spouses, the
20 income of both spouses must be included, whether or not the property is
21 in both names.
- 22 (1b) Owner. – A person who holds legal or equitable title, whether
23 individually, as a tenant by the entirety, a joint tenant, or a tenant in
24 common, or as the holder of a life estate or an estate for the life of
25 another. A manufactured home jointly owned by husband and wife is
26 considered property held by the entirety.
- 27 (2) Repealed by Session Laws 1993, c. 360, s. 1.
- 28 (2a) Repealed by Session Laws 1985 (Reg. Sess., 1986), c. 982, s. 20.
- 29 (3) Permanent residence. – A person's legal residence. It includes the
30 dwelling, the dwelling site, not to exceed one acre, and related
31 improvements. The dwelling may be a single family residence, a unit in
32 a multi-family residential complex, or a manufactured home.
- 33 (4) Totally and permanently disabled. – A person is totally and permanently
34 disabled if the person has a physical or mental impairment that
35 substantially precludes him or her from obtaining gainful employment
36 and appears reasonably certain to continue without substantial
37 improvement throughout his or her life.

38 (c) Application. – An application for the exclusion provided by this section should
39 be filed during the regular listing period, but may be filed and must be accepted at any
40 time up to and through April 15 preceding the tax year for which the exclusion is
41 claimed. When property is owned by two or more persons other than husband and wife
42 and one or more of them qualifies for this exclusion, each owner shall apply separately
43 for his or her proportionate share of the exclusion.

1 (1) Elderly Applicants. – Persons 65 years of age or older may apply for
2 this exclusion by entering the appropriate information on a form made
3 available by the assessor under G.S. 105-282.1.

4 (2) Disabled Applicants. – Persons who are totally and permanently
5 disabled may apply for this exclusion by (i) entering the appropriate
6 information on a form made available by the assessor under G.S. 105-
7 282.1 and (ii) furnishing acceptable proof of their disability. The proof
8 shall be in the form of a certificate from a physician licensed to practice
9 medicine in North Carolina or from a governmental agency authorized
10 to determine qualification for disability benefits. After a disabled
11 applicant has qualified for this classification, he or she shall not be
12 required to furnish an additional certificate unless the applicant's
13 disability is reduced to the extent that the applicant could no longer be
14 certified for the taxation at reduced valuation.

15 (d) Multiple Ownership. – A permanent residence owned and occupied by
16 husband and wife as tenants by the entirety is entitled to the full benefit of this exclusion
17 notwithstanding that only one of them meets the age or disability requirements of this
18 section. When a permanent residence is owned and occupied by two or more persons
19 other than husband and wife and one or more of the owners qualifies for this exclusion,
20 each qualifying owner is entitled to the full amount of the exclusion not to exceed his or
21 her proportionate share of the valuation of the property. No part of an exclusion available
22 to one co-owner may be claimed by any other co-owner and in no event may the total
23 exclusion allowed for a permanent residence exceed ~~fifteen thousand dollars (\$15,000)~~ the
24 exclusion amount provided in this section."

25 Sec. 5. Effective for taxes imposed for taxable years beginning on or after July
26 1, 1996, G.S. 105-309(f) reads as rewritten:

27 "(f) The following information shall appear on each abstract or on an information
28 sheet distributed with the abstract. The abstract or sheet must include the address and
29 telephone number of the assessor below the notice required by this subsection. The
30 notice shall read as follows:

31
32 **'PROPERTY TAX RELIEF FOR ELDERLY AND**
33 **PERMANENTLY DISABLED PERSONS.**
34

35 North Carolina excludes from property taxes the first ~~fifteen thousand dollars (\$15,000)~~
36 eighteen thousand dollars (\$18,000) in appraised value of a permanent residence owned
37 and occupied by North Carolina residents aged 65 or older or totally and permanently
38 disabled whose income does not exceed ~~eleven thousand dollars (\$11,000)~~ fifteen thousand
39 dollars (\$15,000). Income means the owner's adjusted gross income as determined for
40 federal income tax purposes, plus all moneys received other than gifts or inheritances
41 received from a spouse, lineal ancestor or lineal descendant.

42 If you received this exclusion in (assessor insert previous year), you do not need to
43 apply again unless you have changed your permanent residence. If you received the

1 exclusion in (assessor insert previous year) and your income in (assessor insert previous
2 year) was above ~~eleven thousand dollars (\$11,000)~~, fifteen thousand dollars (\$15,000), you
3 must notify the assessor. If you received the exclusion in (assessor insert previous year)
4 because you were totally and permanently disabled and you are no longer totally and
5 permanently disabled, you must notify the assessor. If the person receiving the exclusion
6 in (assessor insert previous year) has died, the person required by law to list the property
7 must notify the assessor. Failure to make any of the notices required by this paragraph
8 before April 15 will result in penalties and interest.

9 If you did not receive the exclusion in (assessor insert previous year) but are now
10 eligible, you may obtain a copy of an application from the assessor. It must be filed by
11 April 15'."

12 **REDUCE CORPORATE INCOME TAX**

13 Sec. 6. Effective for taxable years beginning on or after July 1, 1996, G.S.
14 105-130.3 reads as rewritten:

15 **"§ 105-130.3. Corporations.**

16 A tax is imposed on the State net income of every C Corporation doing business in
17 this State at ~~seven and seventy-five one hundredths percent (7.75%)~~ seven percent (7%) of
18 the corporation's State net income. An S Corporation is not subject to the tax levied in
19 this section."

20 Sec. 7. Effective October 1, 1995, G.S. 115C-546.1 reads as rewritten:

21 **"§ 115C-546.1. Creation of Fund; administration.**

22 (a) There is created the Public School Building Capital Fund. The Fund shall be
23 used to assist county governments in meeting their public school building capital needs.

24 (b) Each calendar quarter, the Secretary of Revenue shall remit to the State
25 Treasurer for credit to the Public School Building Capital Fund an amount equal to ~~two~~
26 ~~thirty-firsts (2/31)~~ one-fourteenth (1/14) of the net collections received during the previous
27 quarter by the Department of Revenue under G.S. 105-130.3 minus two million five
28 hundred thousand dollars (\$2,500,000). All funds deposited in the Public School
29 Building Capital Fund shall be invested as provided in G.S. 147-69.2 and G.S. 147-69.3.

30 (c) The Fund shall be administered by the Office of State Budget and
31 Management."

32 **REPEAL INTANGIBLES TAX/REIMBURSE LOCAL GOVERNMENTS**

33 Sec. 8. (a) Effective July 1, 1995, G.S. 105-213.1 is recodified as G.S. 105-
34 275.2 and G.S. 105-213 is repealed.

35 (b) Effective January 1, 1995, the remainder of Article 7 of Chapter 105 of the
36 General Statutes is repealed. The Secretary shall retain from collections under Division
37 II of Article 4 of Chapter 105 of the General Statutes the cost for the 1995-96 fiscal year
38 of collecting, administering, and refunding the taxes levied in Article 7 of Chapter 105 of
39 the General Statutes.

40 Sec. 9. G.S. 105-275 is amended by adding the following new subdivisions:

41 "(31a) Accounts receivable.

42 (31b) Bonds, notes, and other evidences of debt.

1 (31c) Shares of stock, including shares and units of ownership of mutual
2 funds, investment trusts, and investment funds.

3 (31d) The beneficial or equitable interest in a trust, trust fund, or trust account,
4 including custodial accounts, held by a foreign fiduciary."

5 Sec. 10. G.S. 105-213.1, as recodified as G.S. 105-275.2 by Section 8 of this
6 act, reads as rewritten:

7 **"§ 105-275.2. Reimbursement to counties and municipalities for partial repeal of**
8 **tax on intangible personal property.**

9 (a) Reimbursement for Repeal of Tax on Money on Deposit, Money on Hand, and
10 Funds on Deposit with Insurance Companies. – On or before August 30 of each year, the
11 Secretary of Revenue shall allocate for distribution to each county and the municipalities
12 in the county the amount allocated to the county under this subsection in 1990.

13 ~~Amounts allocated to a county under this subsection shall in turn be divided and~~
14 ~~distributed between the county and the municipalities located in the county in accordance~~
15 ~~with the method of allocating intangible tax revenue between a county and the~~
16 ~~municipalities located in the county provided in G.S. 105-213.~~

17 (a1) Reimbursement for Partial Repeal of Tax on Accounts Receivable. – On or
18 before August 30 of each year, the Secretary of Revenue shall distribute to counties and
19 municipalities an amount equal to forty percent (40%) of the tax collected on accounts
20 receivable under former Article 7 of this Chapter (repealed) during the 1989-90 fiscal
21 year. ~~The Secretary of Revenue shall first allocate the amount to be distributed in this subsection~~
22 ~~to the counties in the same manner as the amount allocated in G.S. 105-213. The amount~~
23 ~~allocated to each county shall in turn be divided and distributed between the county and the~~
24 ~~municipalities located in the county in accordance with the method of allocating intangible tax~~
25 ~~revenue between a county and the municipalities located in the county provided in G.S. 105-213.~~
26 The Secretary shall allocate this amount among the counties in proportion to the amount
27 allocated to each county under former G.S. 105-213 (repealed) in August 1994.

28 (a2) Distribution Between County and its Municipalities. – The amounts allocated
29 to each county under this section shall be allocated between the county and the
30 municipalities in the county in proportion to the total amount of ad valorem taxes levied
31 by each during the fiscal year preceding the distribution. In dividing these amounts
32 between each county and its municipalities, the Secretary of Revenue shall treat taxes
33 levied by a merged school administrative unit described in G.S. 115C-513 in a part of the
34 unit located in a county as taxes levied by the county in which that part is located.

35 After making these allocations, the Secretary shall certify to the State Controller and
36 to the State Treasurer the amount to be distributed to each county and municipality in the
37 State. The State Controller shall then issue a warrant on the State Treasurer to each
38 county and municipality in the amount certified.

39 For the purpose of computing the distribution to any county and the municipalities
40 located in the county for any year with respect to which the property valuation of a public
41 service company is the subject of an appeal and the Department of Revenue is restrained
42 by law from certifying the valuation to the county and the municipalities in the county,

1 the Department shall use the last property valuation of the public service company that
2 has been certified.

3 The chair of each board of county commissioners and the mayor of each municipality
4 shall report to the Secretary of Revenue information requested by the Secretary to enable
5 the Secretary to allocate the amount distributed by this section. If a county or
6 municipality fails to make a requested report within the time allowed, the Secretary may
7 disregard the county or municipality in allocating the amount distributed by this section.

8 (b) ~~Restrictions on Use. —Amounts distributed to a county or a municipality~~
9 ~~under this section are subject to the same restrictions as amounts distributed under G.S.~~
10 ~~105-213. The amount distributed to each county and municipality shall be used by the~~
11 ~~county or municipality in proportion to property tax levies made by it for the various~~
12 ~~funds and activities of the county or municipality, unless the county or municipality has~~
13 ~~pledged the amount to be distributed to it under this section in payment of a loan~~
14 ~~agreement with the North Carolina Solid Waste Management Capital Projects Financing~~
15 ~~Agency. A county or municipality that has pledged amounts distributed under this~~
16 ~~section in payment of a loan agreement with the Agency may apply the amount the loan~~
17 ~~agreement requires.~~

18 (c) ~~Municipality Defined. —As used in this section, the term 'municipality' has the~~
19 ~~same meaning as in G.S. 105-213.~~

20 (d) ~~Source. — Funds distributed under this section shall be drawn from collections~~
21 ~~received under Division II of Article 4 of this Chapter."~~

22 Sec. 11. Funds are appropriated from the General Fund to the Department of
23 Revenue for the 1995-97 fiscal biennium to be used to reimburse local governments for
24 their revenue losses due to the repeal of the intangibles tax. These funds shall be
25 distributed to local governments in accordance with legislation enacted by the General
26 Assembly. It is the intent of the General Assembly that the reimbursement to local
27 governments shall continue in future years.

28 Sec. 12. G.S. 105-501 reads as rewritten:

29 **"§ 105-501. Distribution of additional taxes.**

30 The Secretary shall, on a quarterly basis, allocate the net proceeds of the additional
31 one-half percent (1/2%) sales and use taxes levied under this Article to the taxing
32 counties on a per capita basis according to the most recent annual population estimates
33 certified to the Secretary by the State Budget Officer. The Secretary shall then adjust the
34 amount allocated to each county as provided in G.S. 105-486(b). The amount allocated
35 to each taxing county shall then be divided among the county and the municipalities
36 located in the county in accordance with the method by which the one percent (1%) sales
37 and use taxes levied in that county pursuant to Article 39 of this Chapter or Chapter 1096
38 of the 1967 Session Laws are distributed.

39 If any taxes levied under this Article by a county have not been collected in that
40 county for a full quarter because of the levy or repeal of the taxes, the Secretary shall
41 distribute a pro rata share to that county for that quarter based on the number of months
42 the taxes were collected in that county during the quarter.

1 In determining the net proceeds of the tax to be distributed, the Secretary shall deduct
2 from the collections to be allocated an amount equal to one-fourth of the costs during the
3 preceding fiscal year of:

4 (1) The Department of Revenue in performing the duties imposed by
5 Article 15 of this Chapter.

6 (2) The Property Tax Commission.

7 (3) The Institute of Government in operating a training program in property
8 tax appraisal and assessment.

9 (4) The personnel and operations provided by the Department of State
10 Treasurer for the Local Government Commission."

11 Sec. 13. G.S. 105-288(d) reads as rewritten:

12 "(d) Expenses. – The members of the Property Tax Commission shall receive travel
13 and subsistence expenses in accordance with G.S. 138-5 and a salary of two hundred
14 dollars (\$200.00) a day when hearing cases. The Secretary of Revenue shall supply all
15 the clerical and other services required by the Commission. All expenses of the
16 Commission and the Department of Revenue in performing the duties enumerated in this
17 Article shall be paid ~~from funds appropriated out of revenue derived from the tax on intangible~~
18 ~~personal property as provided by G.S. 105-213.~~ as provided in G.S. 105-501."

19 Sec. 14. G.S. 105-276 reads as rewritten:

20 **"§ 105-276. Taxation of intangible personal property.**

21 Intangible personal property that is not excluded from taxation under G.S. ~~105-~~
22 ~~275(31) or classified under Schedule H, G.S. 105-198 through G.S. 105-217, 105-275~~
23 is subject to this Subchapter. ~~The classification of such property for taxation under~~
24 ~~Schedule H shall not exclude the property from the system property valuation of public~~
25 ~~service companies under Article 23 provided proper adjustments are made to prevent~~
26 ~~duplicate taxation."~~

27 Sec. 15. G.S. 105-282.1(a)(2) reads as rewritten:

28 "(2) Owners of the special classes of property excluded from taxation under
29 G.S. 105-275(5), (15), (16), (26), (31), ~~(31a), (31b), (31c), (31d),~~ (32a),
30 (33), (34), or (40), or exempted under G.S. 105-278.2 are not required to
31 file applications for the exclusion or exemption of that property."

32 Sec. 16. G.S. 105-305 reads as rewritten:

33 **"§ 105-305. Place for listing intangible personal property.**

34 (a) Listing Instructions. – This section ~~shall apply~~ applies to all taxable intangible
35 personal property that has a tax situs in this State, ~~that State and~~ is not required by this
36 Subchapter to be appraised originally by the Department of Revenue, ~~and that is not subject~~
37 ~~to taxation under the provisions of Schedule H, G.S. 105-198 through 105-217.~~ Revenue. The
38 place in this State at which ~~such this~~ property is taxable shall be determined ~~according to~~
39 ~~the rules prescribed in subsections (b) through (e), below.~~ as provided in this section. The
40 person whose duty it is to list property shall list it in the county in which the place of
41 taxation is located, indicating on the abstract the information required by G.S. 105-
42 309(d). If the place of taxation lies within a city or town that requires separate listing

1 under G.S. 105-326(a), the person whose duty it is to list shall also list the property for
2 taxation in the city or town.

3 (b) General Rule. – Except as otherwise provided in subsections (c) through ~~(e)~~,
4 ~~below, (e) of this section,~~ intangible personal property shall be taxable at the residence of
5 the owner. For the purposes of this section:

6 (1) The residence of a person who has two or more places in this State at
7 which ~~he~~ the person occasionally dwells shall be the place at which ~~he~~
8 the person dwelt for the longest period of time during the calendar year
9 immediately preceding the date as of which property is to be listed for
10 taxation.

11 (2) The residence of a domestic or foreign taxpayer other than an individual
12 person shall be the place at which its principal North Carolina office is
13 located.

14 (c) Intangible personal property representing an interest or interests in real
15 property that is situated in this State shall be taxable in the place in which the represented
16 real property is located.

17 (d) The intangible personal property of a decedent whose estate is in the process of
18 administration or has not been distributed shall be taxable in the place at which it would
19 be taxable if the decedent were still alive and still residing in the place at which ~~he~~ the
20 decedent resided at the time of ~~his~~ death.

21 (e) Intangible personal property within the jurisdiction of the State held by a
22 resident or nonresident trustee, guardian, or other fiduciary having legal title to the
23 property shall be taxable in accordance with the following rules:

24 (1) If ~~any~~ a beneficiary is a resident of the State, an amount representing ~~his~~
25 the beneficiary's portion of the property shall be taxable in the place at
26 which it would be taxable if ~~he~~ the beneficiary were the owner of ~~his~~
27 that portion.

28 (2) If ~~any~~ a beneficiary is a nonresident of the State, an amount representing
29 ~~his~~ the beneficiary's portion of the property shall be taxable in the place
30 at which it would be taxable if the fiduciary were the beneficial owner
31 of the property."

32 Sec. 17. G.S. 108A-93 reads as rewritten:

33 **"§ 108A-93. Withholding of State moneys from counties failing to pay public**
34 **assistance costs.**

35 The Director of the Budget ~~is authorized to~~ may withhold from any county that does
36 not pay its full share of public assistance costs to the State and has not ~~arranged for~~
37 ~~payment pursuant to G.S. 108-54.1 or obtained a loan for repayment under G.S. 108A-89,~~
38 any State moneys appropriated from the General Fund for public assistance and related
39 administrative costs, or ~~to~~ may direct the Secretary of Revenue and State ~~Treasurer~~
40 Controller to withhold any tax owed to a county under ~~Article 7 of Chapter 105 of the~~
41 ~~General Statutes, G.S. 105-113.82, Article 39 of Chapter 105 of the General Statutes~~
42 Subchapter VIII of Chapter 105 of the General Statutes, or Chapter 1096 of the Session

1 Laws of 1967. The Director of the Budget shall notify the ~~chairman~~ chair of the board of
2 county commissioners of the proposed action prior to the withholding of funds."

3 Sec. 18. G.S. 142-12.1(c) reads as rewritten:

4 "(c) The interest on any ~~such~~ of these bonds or obligations shall maintain its
5 existing exemption from State income taxation, or other taxation, if any, ~~including, but not~~
6 ~~limited to, the tax on intangible personal property now imposed by the State,~~ notwithstanding
7 that ~~such~~ the interest may be or become subject to federal income taxation as a result of
8 legislative action by the federal government."

9 EFFECTIVE DATES

10 Sec. 19. Section 2 of this act becomes effective July 1, 1995. Sections 4 and 5
11 of this act become effective for taxes imposed for taxable years beginning on or after July
12 1, 1996. Section 6 of this act is effective for taxable years beginning on or after July 1,
13 1996. Section 7 of this act becomes effective October 1, 1995, and applies to remittances
14 made on or after that date. Section 8(a) of this act becomes effective July 1, 1995;
15 Section 8(b) of this act is effective for taxable years beginning on or after January 1,
16 1995. Section 11 of this act becomes effective July 1, 1995. Sections 10, 12, 13, and 17
17 of this act become effective July 1, 1995, and apply to distributions made on or after that
18 date. The remainder of this act is effective for taxable years beginning on or after
19 January 1, 1995.

20 Sec. 20. This act does not affect the rights or liabilities of the State, a taxpayer,
21 or another person arising under a statute amended or repealed by this act before its
22 amendment or repeal; nor does it affect the right to any refund or credit of a tax that
23 would otherwise have been available under the amended or repealed statute before its
24 amendment or repeal.