

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH30667-MC-209 (3/20)

Short Title: Video Game Production Tax Credits. (Public)

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Sponsors: Representative Gibson.

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Referred to:

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1 A BILL TO BE ENTITLED  
2 AN ACT TO ADD PRODUCERS OF DIGITAL INTERACTIVE MEDIA TO THE  
3 INDUSTRIES ELIGIBLE FOR TAX CREDITS FOR GROWING BUSINESSES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-129.81 reads as rewritten:

6 "§ 105-129.81. (See notes) Definitions.

7 The following definitions apply in this Article:

8 ...

9 (8a) Digital interactive media. – Products, other than interpersonal  
10 communications services such as videoconferencing, wireless  
11 communications, text-based channels, or chat rooms, that are intended  
12 for commercial use or distribution and that satisfy each of the  
13 following conditions:

- 14 a. The product is produced for distribution on electronic media,  
15 including file downloads over the Internet.  
16 b. The product contains a computer-controlled virtual universe  
17 with which users may interact in order to achieve a goal.  
18 c. The product contains an appreciable amount of at least three of  
19 the five following types of data: text, sound, fixed images,  
20 animated images, or 3D geometry.

21 ...."

22 SECTION 2. G.S. 105-129.83(a) reads as rewritten:

23 "(a) Eligible Business. – A taxpayer is eligible for a credit under this Article only  
24 with respect to activities occurring at an establishment whose primary activity is listed  
25 in this subsection. The primary activity of an establishment is determined based on the  
26 establishment's principal product or group of products produced or distributed, or  
27 services rendered.

- 1 (1) Air courier services hub.
- 2 (2) Aircraft maintenance and repair.
- 3 (3) Company headquarters, but only if the additional eligibility
- 4 requirements of subsection (b) of this section are satisfied.
- 5 (4) Customer service call centers.
- 6 (4a) Digital interactive media production or design.
- 7 (5) Electronic shopping and mail order houses.
- 8 (6) Information technology and services.
- 9 (7) Manufacturing.
- 10 (8) Motorsports facility.
- 11 (9) Motorsports racing team.
- 12 (10) Research and development.
- 13 (11) Warehousing.
- 14 (12) Wholesale trade."

15 **SECTION 3.** This act is effective for taxable years beginning on or after  
16 January 1, 2008.