

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 339

Short Title: Credit for Tier One Counties.

(Public)

Sponsors: Senators Conder and Plyler.

Referred to: Finance.

March 10, 1997

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE JOBS TAX CREDIT FOR TIER ONE COUNTIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-129.8(a) reads as rewritten:

"(a) Credit. – A taxpayer that meets the eligibility requirements set out in G.S. 105-129.4, has five or more employees for at least 40 weeks during the taxable year, and hires an additional full-time employee during that year to fill a position located in this State is allowed a credit for creating a new full-time job. The amount of the credit for each new full-time job created is set out in the table below and is based on the enterprise tier of the area in which the position is located:

Area Enterprise Tier	Amount of Credit
Tier One	\$12,500 <u>\$25,000</u>
Tier Two	4,000
Tier Three	3,000
Tier Four	1,000
Tier Five	500

A position is located in an area if more than fifty percent (50%) of the employee's duties are performed in the area. The credit may not be taken in the taxable year in which the additional employee is hired. Instead, the credit shall be taken in equal installments over the four years following the taxable year in which the additional employee was hired

1 and shall be conditioned on the continued employment by the taxpayer of the number of
2 full-time employees the taxpayer had upon hiring the employee that caused the taxpayer
3 to qualify for the credit.

4 If, in one of the four years in which the installment of a credit accrues, the number of
5 the taxpayer's full-time employees falls below the number of full-time employees the
6 taxpayer had in the year in which the taxpayer qualified for the credit, the credit expires
7 and the taxpayer may not take any remaining installment of the credit. The taxpayer
8 may, however, take the portion of an installment that accrued in a previous year and was
9 carried forward to the extent permitted under G.S. 105-129.5.

10 Jobs transferred from one area in the State to another area in the State shall not be
11 considered new jobs for purposes of this section. If, in one of the four years in which the
12 installment of a credit accrues, the position filled by the employee is moved to an area in
13 a higher- or lower-numbered enterprise tier, the remaining installments of the credit shall
14 be calculated as if the position had been created initially in the area to which it was
15 moved."

16 Section 2. This act is effective for taxable years beginning on or after January
17 1, 1997.