

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE DRH70415-LC-216 (05/11)

Short Title: Reduce Workers' Comp. Premiums.

(Public)

Sponsors: Representative Goodwin.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A TAX CREDIT FOR SAFE WORKPLACES THAT HAS
THE EFFECT OF REDUCING WORKERS' COMPENSATION INSURANCE
PREMIUMS FOR CERTAIN EMPLOYERS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 3B of Chapter 105 of the General Statutes is amended
by adding a new section to read:

"§ 105-129.16D. Credit for safe workplace.

(a) Credit. – An eligible taxpayer is allowed a credit equal to five percent (5%) of the amount of workers' compensation premiums it paid during the taxable year. A taxpayer is eligible if it is an employer subject to the Workers' Compensation Act relative to the payment of compensation and has no liabilities under the Workers' Compensation Act during the most recent five consecutive years as of the end of the taxable year.

(b) Allocation. – If the taxpayer is an individual who is a nonresident or a part-year resident, the taxpayer must reduce the amount of the credit by multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as appropriate. If the taxpayer is not an individual and is required to apportion its multistate business income to this State, the taxpayer must reduce the amount of the credit by multiplying it by the apportionment fraction used to apportion its income to this State.

(c) Definitions. – The following definitions apply in this section:

(1) Compensation. – Defined in G.S. 97-2. Compensation includes medical compensation as defined in G.S. 97-2.

(2) Employer. – Defined in G.S. 97-2.

(3) Self-insurer. – Defined in G.S. 105-228.3.

(4) Workers' compensation premiums. – Both of the following:

1 a. The amount paid to insure the taxpayer's liability pursuant to
2 G.S. 97-93(1).

3 b. In the case of a self-insurer, the amount that would be paid by
4 the same or most similar industry or business to insure the
5 taxpayer's liability pursuant to G.S. 97-93(1), taken from the
6 manual insurance rate then in force in this State, applied to the
7 self-insurer's payroll for the previous calendar year as
8 determined under Article 2 of Chapter 97 of the General
9 Statutes modified by the self-insurer's approved experience
10 modifier.

11 (5) Workers' Compensation Act. – Article 1 of Chapter 97 of the General
12 Statutes."

13 **SECTION 2.** G.S. 105-129.15A reads as rewritten:

14 "**§ 105-129.15A. Sunset.**

15 G.S. 105-129.16 is repealed effective for business property placed in service on or
16 after January 1, 2002. G.S. 105-129.16D is repealed effective for taxable years
17 beginning on or after January 1, 2009. The remainder of this Article is repealed
18 effective January 1, 2006. The repeal of G.S. 105-129.16A applies to renewable energy
19 property placed in service on or after ~~January 1, 2006~~ that date."

20 **SECTION 3.** This act becomes effective for taxable years beginning on or
21 after January 1, 2005.