

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH50344-LY-122 (2/27)

Short Title: Work Opportunity Tax Credit. (Public)

Sponsors: Representatives Wainwright and Pierce (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE AN INCOME TAX CREDIT FOR HIRING CERTAIN  
3 DISADVANTAGED WORKERS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Part 1 of Article 4 of Chapter 105 of the General Statutes is  
6 amended by adding a new section to read:

7 "§ 105-130.49. Tax credit for hiring disadvantaged workers.

8 (a) Definition. – As used in this section, a 'disadvantaged worker' is a person who  
9 satisfies any of the following conditions:

10 (1) The worker is a member of a family that has received payments under  
11 the Temporary Assistance to Needy Families program for at least nine  
12 of the last 18 months at the time of hire.

13 (2) The worker is a veteran and is a member of a family that has received  
14 benefits under the Food Stamp Program for at least three of the last 15  
15 months at the time of hire.

16 (3) The worker is between 18 and 24 years old when hired and a member  
17 of a family that has received benefits under the Food Stamp Program  
18 for the last six months at the time of hire.

19 (4) The worker has received benefits from the Supplemental Security  
20 Income Program for any month within the last 60 days at the time of  
21 hire.

22 (5) Within the past five years preceding the time of hire, the worker was  
23 convicted of a felony or was released from incarceration for a felony.

24 (b) Credit. – A taxpayer that hires a disadvantaged worker to fill a full-time  
25 position in this State and keeps that person as an employee for at least nine months is  
26 allowed a credit for hiring that person. The amount of the credit is equal to the wages  
27 paid to the disadvantaged worker during the taxable year up to a maximum of two

1 thousand dollars (\$2,000) per disadvantaged worker hired and kept by the taxpayer per  
2 year. The taxpayer shall claim the credit with respect to a disadvantaged worker in the  
3 year in which the nine-month period ends and the following year.

4 (c) Cap. – The credit allowed by this section may not exceed fifty percent (50%)  
5 of the amount of the tax imposed by this Part for the taxable year reduced by the sum of  
6 all credits allowable, except payments of tax made by or on behalf of the taxpayer. This  
7 limitation applies to the cumulative amount of the credit, including carryforwards,  
8 claimed by the taxpayer under this section for the taxable year. Any unused portion of  
9 the credit may be carried forward for the succeeding five years."

10 **SECTION 2.** Part 2 of Article 4 of the General Statutes is amended by  
11 adding a new section to read:

12 **"§ 105-151.31. Tax credit for hiring disadvantaged workers.**

13 (a) Definition. – As used in this section, a 'disadvantaged worker' is a person who  
14 satisfies any of the following conditions:

15 (1) The worker is a member of a family that has received payments under  
16 the Temporary Assistance to Needy Families program for at least nine  
17 of the last 18 months at the time of hire.

18 (2) The worker is a veteran and is a member of a family that has received  
19 benefits under the Food Stamp Program for at least three of the last 15  
20 months at the time of hire.

21 (3) The worker is between 18 and 24 years old when hired and a member  
22 of a family that has received benefits under the Food Stamp Program  
23 for the last six months at the time of hire.

24 (4) The worker has received benefits from the Supplemental Security  
25 Income Program for any month within the last 60 days at the time of  
26 hire.

27 (5) Within the past five years preceding the time of hire, the worker was  
28 convicted of a felony or was released from incarceration for a felony.

29 (b) Credit. – A taxpayer that hires a disadvantaged worker to fill a full-time  
30 position in this State and keeps that person as an employee for at least nine months is  
31 allowed a credit for hiring that person. The amount of the credit is equal to the wages  
32 paid to the disadvantaged worker during the taxable year up to a maximum of two  
33 thousand dollars (\$2,000) per disadvantaged worker hired and kept by the taxpayer per  
34 year. The taxpayer shall claim the credit with respect to a disadvantaged worker in the  
35 year in which the nine-month period ends and the following year.

36 (c) Cap. – The credit allowed by this section may not exceed fifty percent (50%)  
37 of the amount of the tax imposed by this Part for the taxable year reduced by the sum of  
38 all credits allowable, except payments of tax made by or on behalf of the taxpayer. This  
39 limitation applies to the cumulative amount of the credit, including carryforwards,  
40 claimed by the taxpayer under this section for the taxable year. Any unused portion of  
41 the credit may be carried forward for the succeeding five years."

42 **SECTION 3.** This act is effective for taxable years beginning on or after  
43 January 1, 2007.