

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE DRS65064-MC-276 (05/11)

Short Title: Assisting Small Businesses Act.

(Public)

Sponsors: Senator Davis.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ASSIST SMALL BUSINESSES.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-129.16E is reenacted and reads as rewritten:

5 "**§ 105-129.16E. Credit for small business employee health benefits.**

6 (a) Credit. – A small business that provides health benefits for all of its eligible  
7 employees during the taxable year is allowed a credit to offset its costs in providing health  
8 benefits for its eligible employees. For the purposes of this subsection, a taxpayer provides  
9 health benefits if it pays at least fifty percent (50%) of the premiums for health care coverage  
10 that equals or exceeds the minimum provisions of the basic health care plan of coverage  
11 recommended by the Small Employer Carrier Committee pursuant to G.S. 58-50-125 or if its  
12 employees have qualifying existing coverage.

13 The credit is equal to a dollar amount per eligible employee whose total wages or salary  
14 received from the business does not exceed forty thousand dollars (\$40,000) on an annual basis.  
15 The dollar amount is two hundred fifty dollars (\$250.00), not to exceed the taxpayer's costs of  
16 providing health benefits for the employee during the taxable year.

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

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

24 (1) Eligible employee. – Defined in G.S. 58-50-110.

25 (2) Qualifying existing coverage. – Defined in G.S. 58-50-130(a)(4a).

26 (3) Small business. – A taxpayer that employs no more than 25 eligible  
27 employees throughout the taxable year.

28 (d) Sunset. – This section expires for taxable years beginning on or after January 1,  
29 ~~2010-2014.~~"

30 **SECTION 2.** There is appropriated from the General Fund to the North Carolina  
31 Rural Economic Development Center, Inc., the sum of one million dollars (\$1,000,000) for the  
32 2010-2011 fiscal year to expand the Small Business Assistance Fund. The Fund assists small  
33 businesses with 100 or fewer employees and less than one million dollars (\$1,000,000) in  
34 annual receipts by leveraging third-party funding to create a loan loss reserve that provides



1 additional guarantees for SBA-backed loans made to eligible small businesses through  
2 participating lending institutions.

3 **SECTION 3.** There is appropriated from the General Fund to the Community  
4 Colleges System Office the sum of four hundred two thousand eight hundred sixty-one dollars  
5 (\$402,861) for the 2010-2011 fiscal year to restore the funding to the Small Business Centers  
6 that was cut in S.L. 2009-451.

7 **SECTION 4.** Section 1 of this act is effective for taxable years beginning on or  
8 after January 1, 2010. The remainder of this act becomes effective July 1, 2010.