

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 479

Short Title: Small Business New Job Creation Incentive. (Public)

Sponsors: Representatives Goodman, Spear, Wray, and McGuirt (Primary Sponsors).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Commerce and Job Development, if favorable, Finance.

March 29, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE A TAX CREDIT FOR NEW JOBS CREATED BY SMALL  
3 BUSINESSES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-129.81 is amended by adding a new subdivision to read:

6 "**§ 105-129.81. Definitions.**

7 The following definitions apply in this Article:

8 ...

9 (19) **New job.** – A full-time job that represents a net increase in the number of the  
10 taxpayer's employees statewide. A new employee is an employee who holds  
11 a new job. The term does not include a job currently located in this State that  
12 is transferred to the business from a related member of the business.

13 ...

14 (23a) **Small business.** – A taxpayer that employs no more than 50 eligible  
15 employees throughout the taxable year.

16 ...."

17 **SECTION 2.** G.S. 105-129.87(a) reads as rewritten:

18 "**§ 105-129.87. Credit for creating jobs.**

19 (a) **Credit.** – A taxpayer other than a small business that meets the eligibility  
20 requirements set out in G.S. 105-129.83 and satisfies the threshold requirement for new job  
21 creation in this State under subsection (b) of this section during the taxable year is allowed a  
22 credit for creating jobs. A taxpayer that is a small business, that meets the eligibility  
23 requirements set out in G.S. 105-129.83, other than the eligible business requirement of  
24 G.S. 105-129.83(a), and that satisfies the threshold requirement for new job creation in this  
25 State under subsection (b) of this section during the taxable year is allowed a credit for creating  
26 jobs. The amount of the credit for each new job created is set out in the table below and is  
27 based on the development tier designation of the county in which the job is located. If the job is  
28 located in an urban progress zone or an agrarian growth ~~zone~~, ~~zone~~ and is created by a taxpayer  
29 other than a small business, the amount of the credit is increased by an additional one thousand  
30 dollars (\$1,000) per job. In addition, if ~~a~~ the job is located in an urban progress zone or an  
31 agrarian growth zone is and filled by a resident of that zone or by a long-term unemployed  
32 ~~worker~~, ~~worker~~ or is created by a small business, the amount of the credit is increased by an  
33 additional two thousand dollars (\$2,000) per job.

34 Area Development Tier	Amount of Credit
35 Tier One	\$12,500



1 Tier Two 5,000  
2 Tier Three 750".

3 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,  
4 2011.