

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

FILED SENATE  
Mar 11, 2013  
S.B. 255  
PRINCIPAL CLERK

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SENATE DRS35130-MC-94A\* (02/28)

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

Sponsors: Senators McLaurin, Walters, and Clark (Primary Sponsors).

Referred to:

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 and that is engaged in a business  
16 other than retail trade, as designated by sectors 44 and 45 of NAICS, or food  
17 services and drinking places, as designated by subsector 722 of NAICS.

18 ...."

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

20 "§ 105-129.87. Credit for creating jobs.

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

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Area Development Tier	Amount of Credit
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1	Tier One	\$12,500
2	Tier Two	5,000
3	Tier Three	750"

4       **SECTION 3.** This act is effective for taxable years beginning on or after January 1,  
5       2013.