

May 31, 2004

H 1760. NO CREDIT FOR NET JOB LOSS. TO PROVIDE THAT THE RESEARCH AND DEVELOPMENT TAX CREDIT IS NOT ALLOWED TO EMPLOYERS WHO SUBSTANTIALLY REDUCE JOBS IN NORTH CAROLINA. Amends GS 105-129.10 to specify that no credit is allowed under that section if the lowest number of the taxpayer's full time employees is more than 15% below the highest number of the taxpayer's employees at any time in previous five years. Effective for tax years beginning on or after Jan. 1, 2004.

Intro. by Luebke.

Ref. to Finance

GS 105

June 29, 2004

H 1760. CLAWBACK FAILED INCENTIVES (NEW). Intro. 5/31/04. House committee substitute makes the following changes to 1st edition. Completely rewrites bill so it now (1) adds new GS 143B-435.1 defining "clawback" as a requirement that all or part of an economic development incentive will be returned if the recipient business does not fulfill its responsibilities under the incentive law or contract and requiring that the Dep't of Commerce regularly catalog and publish all clawbacks in effect in the state and all instances of clawbacks having been triggered and the progress on obtaining repayment. (2) amends GS 105-129.6(b) (concerning reports by the Dep't of Revenue regarding certain tax credits) to require reporting of the number and amounts of tax credits forfeited; and (3) adds new GS 143B-435.2 providing that for a business to be eligible for a direct economic development grant or loan for purposes of job creation or from the One North Carolina Industrial Recruitment Competitive Fund, the business must have agreed to use the State Employment Security Commission as a first source for recruitment and referral of applicants for employment associated with the grant or loan. Provides exceptions for emergencies and in enterprise tiers one and two and in areas of especially severe economic distress. Effective July 1, 2004.