

May 13, 2010

H 1721. H.E.L.P. SMALL BUSINESS ACT. Filed 5/13/10. *TO PROVIDE H.E.L.P. (HEALTH CARE, EMPLOYMENT, LEVERAGE, AND PREPARATION) FOR SMALL BUSINESSES IN NORTH CAROLINA, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON SMALL BUSINESS.*

Amends GS 105-228.90(b)(1b) to update the enactment date of the applicable Internal Revenue Code to May 1, 2010. Amends GS 105-163.012(b) to increase to \$8 million the tax benefit allowed to taxpayers for investments in small businesses (current law limits the tax credit to \$7.5 million), effective for investments made on or after January 1, 2010. Amends GS 105-163.015 to extend, to January 1, 2013, the repeal date for tax credits for small business investments. Amends GS 105-129.16E to extend, to January 1, 2014, the expiration date for tax benefits for small businesses that provide health insurance.

Small Business Job Creation Tax Credit. Enacts new GS 105-129.16J to create a taxpayer credit equal to \$1,000 for each new full-time, small business (no more than 25 full-time employees) job created in the state and maintained for at least three years. Calculates the number of new jobs created or maintained in a taxable year by subtracting the average number of full-time employees that taxpayer had in the previous 12-month period from the average number of full-time employees the taxpayer has in the current taxable year. Requires that the taxpayer, in order to be eligible for the credit, satisfy the environmental impact and the safety and health program requirements under GS 105-129.83 and have no outstanding tax debts. Provides that a taxpayer forfeits the credit if (1) the taxpayer was not eligible during the calendar year in which the job was created or (2) the taxpayer fails to maintain the job for at least three years. Requires that a taxpayer who forfeits the credit be responsible for past taxes and interest. Prohibits the taxpayer from receiving another credit for job creation if receiving the credit created by this act, and limits the credit allowed to a taxpayer to \$25,000. Requires that the Department of Revenue (Department) publish, by May 1 of each year, a report with the total small business job creation credits claimed. Effective for taxable years beginning on or after January 1, 2010, and for jobs created on or after January 1, 2010.

Appropriations. Appropriates \$1.5 million for 2010-11 from an undesignated source to the Department of Commerce to be allocated to the One North Carolina Small Business Account. Appropriates \$402,861 for 2010-11 from an undesignated source to the Community College System for the Small Business Centers program. Appropriates \$1 million for 2010-11 from an undesignated source to the North Carolina Rural Economic Development Center Inc. to support existing small businesses by expanding access to capital. Effective July 1, 2010.

Also directs the Department of Commerce to increase its marketing expenditures on the Business Link North Carolina program, effective when the act becomes law.

Intro. by Holliman, Braxton, Stewart, Underhill. GS 105, APPROP

May 20, 2010

H 1721. H.E.L.P. SMALL BUSINESS ACT. Filed 5/13/10. House committee substitute makes the following changes to 1st edition. Makes technical changes only.

May 25, 2010

H 1721. H.E.L.P. SMALL BUSINESS ACT. Filed 5/13/10. House committee substitute makes the following changes to 2nd edition. Changes the term to *full-time jobs* (was, *full-time employees*) for the small business tax credit calculation provision in proposed GS 105-129.16J. Makes technical change.