

February 19, 2009

**H 235. NORTH CAROLINA YOUTH ADVANCEMENT PROGRAM.** Filed 2/19/09. *TO FIGHT YOUTH GANGS THROUGH ACCESS TO PART-TIME EMPLOYMENT AND GREATER ACCESS TO TUTORING AND MENTORING OPPORTUNITIES.*

Enacts new GS 105-129.46 in Article 3E of GS Chapter 105 to provide a tax credit for a taxpayer that hires a qualifying student to fill a new position. Amends the title of Article 3E to *Low-Income Tax Credits* to reflect the inclusion of the proposed tax credit (was, Low-Income Housing Tax Credits). Repeals GS 105-129.45 regarding the sunset of Article 3E as of January 1, 2015, and relocates the sunset provision into a new subsection (j) in GS 105-129.42. Amends GS 105-129.43 to require a taxpayer who receives a credit under Article 3E to maintain and make available for inspection any information or records required by a *Housing Authority* or the *Department of Social Services*, in addition to the Secretary of Revenue and the Housing Finance Agency.

Proposed GS 105-129.46 permits a taxpayer to claim a credit against the tax imposed by Article 4 of GS Chapter 105 (regarding income tax) in an amount that is equal to the number of hours the qualifying student worked multiplied by the difference between the gross hourly wage paid to the qualifying student and the minimum hourly wage set forth in 29 USC Section 206.

Defines a *qualifying student* as one who meets each of the following requirements: (1) is 14 to 21 years of age and has a youth employment certificate when it is required by the NC Department of Labor; (2) is enrolled at a public school, a community college, or a public or private university or college; (3) receives or is a member of a family that receives free or reduced price lunch pursuant to GS 115C-264, low-income housing assistance pursuant to GS Chapter 157, or public assistance pursuant to Article 2, of GS Chapter 108A; and (4) works for the taxpayer in the state for no less than 20 hours per week and no more than 40 hours per week when the qualifying student's school is *not* in session or no more than 20 hours per week when the qualifying student's school is in session.

Limits the taxpayer to claiming a credit for the gross hourly wage paid to no more than 20 qualifying students. Also restricts a taxpayer from claiming a tax credit for any portion of the gross hourly wage paid to a qualifying student that is more than \$11. Sets additional limits on the amount of the credit that may be claimed in a taxable year. Allows any unused portion of the tax credit to be carried forward for the succeeding three years.

Appropriates \$1.5 million for 2009-10 from the General Fund to the Department of Juvenile Justice and Delinquency Prevention to provide mentoring and tutoring services for qualifying students under GS 105-129.46. Requires \$100,000 to be allocated to each of the following counties: Cleveland, Columbus, Craven, New Hanover, and Robeson; requires \$200,000 to be allocated to each of the following counties: Cumberland, Durham, Forsyth, Guilford, and Mecklenburg. Effective July 1, 2009.

Except as otherwise indicated, effective for taxable years beginning on or after January 1, 2009.

**Intro. by Alexander.**

GS 105, APPROP