

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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SENATE BILL DRS15179-Nifa-82

Short Title: Small Business Investment Grant. (Public)

Sponsors: Senators Smith and Murdock (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FUNDS TO ASSIST SMALL BUSINESSES ADVERSELY  
3 IMPACTED BY COVID-19.

4 Whereas, the unprecedented issues surrounding COVID-19 have impacted North  
5 Carolina's business economy; and

6 Whereas, small businesses, particularly those in underserved areas, have been more  
7 significantly impacted; and

8 Whereas, small businesses need access to capital to make crucial investments and stay  
9 afloat during this pandemic; Now, therefore,

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.(a)** Appropriation. – There is appropriated from the General Fund to  
12 the Department of Commerce the sum of two hundred fifty million dollars (\$250,000,000) in  
13 nonrecurring funds for the 2025-2026 fiscal year to be used as provided in this act. Funds  
14 appropriated in this section do not revert but remain available to the Department for the purposes  
15 provided in this act.

16 **SECTION 1.(b)** Purpose. – The purpose of this section is to help small businesses  
17 in North Carolina that experienced economic disruption as a result of the COVID-19 pandemic  
18 by providing grants awarded by the Department, in consultation with the North Carolina  
19 Department of Revenue, to offset the economic harm suffered and to promote economic  
20 development and maintain economic stability by helping to preserve and sustain a vital element  
21 of the State's economy.

22 **SECTION 1.(c)** Small Business Recovery Program. – There is created the  
23 COVID-19 Small Business Recovery Program to be administered by the Department of  
24 Commerce. The Department may provide a one-time grant to each qualifying business. For  
25 purposes of this section, a qualifying business is an entity (i) subject to income tax under Article  
26 4 of Chapter 105 of the General Statutes, (ii) with annual receipts, when combined with the  
27 annual receipts of all related persons, for the 2019 tax year of eight million dollars (\$8,000,000)  
28 or less, and (iii) a reduction of at least twenty-five percent (25%) in sales tax collections resulting  
29 from the COVID-19 pandemic for the 2020 tax year when compared to collections for the 2019  
30 tax year.

31 **SECTION 1.(d)** Grant Program Application; Limitations. – A qualifying business  
32 must apply to the Department for a grant during the time frame and on a form prescribed by the  
33 Department and must include any supporting documentation required by the Department. The  
34 Department may accept applications until the funds appropriated in this section have been fully  
35 awarded. The grant amount to a qualifying business may not exceed the lesser of (i) two hundred  
36 fifty thousand dollars (\$250,000) or (ii) the amount of reduction in sales tax collections of the



1 qualifying business resulting from the COVID-19 pandemic for the 2020 tax year when  
2 compared to collections for the 2019 tax year. The total of all grants awarded under this Program  
3 may not exceed two hundred fifty million dollars (\$250,000,000). The Department shall verify  
4 that the business is a qualifying business with the Department of Revenue. Notwithstanding  
5 G.S. 105-259, the Department of Revenue may disclose tax information to the Department of  
6 Commerce to verify eligibility for the Program. The Department's grant determinations based on  
7 applications filed are final.

8 **SECTION 1.(e) Clawback.** – A grant under the Program authorized in this section  
9 shall be conditioned on a recipient business maintaining operations for a minimum of six months  
10 following receipt of the grant, and the Department shall clawback a proportionate amount of the  
11 grant for any portion of the six months the recipient business does not maintain business  
12 operations.

13 **SECTION 2.** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

14 "(15a) The amount granted to a taxpayer during the taxable year under the Small  
15 Business Recovery Program."

16 **SECTION 3.** Section 2 of this act is effective for taxable years beginning on or after  
17 January 1, 2025, and expires for taxable years beginning on or after January 1, 2026. The  
18 remainder of this act is effective when it becomes law.