

NORTH CAROLINA GENERAL ASSEMBLY
1981 SESSION

CHAPTER 774
HOUSE BILL 1270

AN ACT TO MAKE THE NORTH CAROLINA EMPLOYMENT SECURITY LAW
CONSISTENT WITH THE FEDERAL SOCIAL SECURITY ACT AND CHAPTERS 21
AND 24 OF THE INTERNAL REVENUE CODE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 96-8(6)k is amended by adding the following subsection 16:

"16. Notwithstanding the provisions of G.S. 96-8(6)f.3. and G.S. 96-8(6)k.6., service performed by an individual on a boat engaged in catching fish or other forms of aquatic animal life under an arrangement with the owner or operator of such boat pursuant to which:

- (A) such individual does not receive any cash remuneration (other than as provided in subparagraph (B)),
- (B) such individual receives a share of the boat's (or the boats' in the case of a fishing operation involving more than one boat) catch of fish or other forms of aquatic animal life or a share of the proceeds from the sale of such catch, and
- (C) the amount of such individual's share depends on the amount of the boat's (or the boats' in the case of a fishing operation involving more than one boat) catch of fish or other forms of aquatic animal life,

but only if the operating crew of such boat (or each boat from which the individual receives a share in the case of a fishing operation involving more than one boat) is normally made up of fewer than 10 individuals. In order to preserve the State's right to collect State unemployment taxes for which a credit against federal unemployment taxes may be taken for contributions paid into a State unemployment insurance fund, this subsection 16 shall not apply, with respect to any individual, to service during any period for which an assessment for federal unemployment taxes is made by the Internal Revenue Service pursuant to the Federal Unemployment Tax Act which assessment becomes a final determination (as defined by Section 1313 of the Internal Revenue Code of 1954 as amended)."

Sec. 2. This amendment made by Section 1 of this act shall be effective as to all services rendered after December 31, 1954; provided, however, that the amendment made by Section 1 of this act shall not apply with respect to such services performed by such individual (and the share of the catch, or proceeds therefrom received by him for such services) if and only for so long as the owner or operator of any boat treated a share of the boat's catch of fish or other aquatic animal life (or a share of the proceeds therefrom) received by an individual after December 31, 1954, and before the date of the enactment of this act for services performed by an individual after December 31, 1954, on such boat, as being subject to the unemployment tax under the Federal Unemployment Tax Act, or the Employment Security Law of North Carolina. This act shall not be construed to entitle any person to a refund.

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 2nd day of July, 1981.