

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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HOUSE DRH10278-LR-107 (4/19)

Short Title: Labor Audit Systems/Incentives.

(Public)

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Sponsors: Representative Goodwin.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO ALLOW INCOME TAX CREDITS TO EMPLOYERS THAT  
IMPLEMENT AUTOMATED TRACEABLE AUDIT SYSTEMS TO TRACK  
HOURLY EMPLOYEE WORK TIME AND ATTENDANCE.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 3B of Chapter 105 of the General Statutes is amended  
by adding a new section to read:

**"§ 105-129.16D. Credit for automated traceable audit systems.**

(a) Credit. – A taxpayer that makes eligible audit system expenditures during the taxable year to implement an automated traceable audit system to track the time and attendance of its hourly employees is allowed a credit equal to fifteen percent (15%) of the amount of the eligible audit system expenditures.

(b) Expenditures Definitions. – As used in this section, the term "eligible" means any of the following expenditures:

(1) Expenditures required to purchase and install an automated clocking and tracking system that collects hourly employee attendance data, detects variations in hourly employee attendance, and totals the number of hours worked while leaving a traceable audit trail.

(2) Expenditures for the training and materials required to implement an audit system as described in this section."

**SECTION 2.** This act becomes effective for taxable years beginning on or after January 1, 2005.