

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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HOUSE BILL 1599

Short Title: Labor Audit Systems/Incentives.

(Public)

Sponsors: Representative Goodwin.

Referred to: Finance.

May 20, 2004

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW INCOME TAX CREDITS TO EMPLOYERS THAT  
3 IMPLEMENT AUTOMATED TRACEABLE AUDIT SYSTEMS TO TRACK  
4 HOURLY EMPLOYEE WORK TIME AND ATTENDANCE.

5 The General Assembly of North Carolina enacts:

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

8 "**§ 105-129.16D. Credit for automated traceable audit systems.**

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

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

- 15 (1) Expenditures required to purchase and install an automated clocking  
16 and tracking system that collects hourly employee attendance data,  
17 detects variations in hourly employee attendance, and totals the  
18 number of hours worked while leaving a traceable audit trail.  
19 (2) Expenditures for the training and materials required to implement an  
20 audit system as described in this section."

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