

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE DRS75228-LY-142 (3/2)

Short Title: Amend Unemployment Tax. (Public)

Sponsors: Senators Berger of Rockingham, and Hoyle.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO EXCLUDE SERVICES PROVIDED BY CERTAIN CORPORATE OFFICERS FROM THE DEFINITION OF EMPLOYMENT FOR THE PURPOSES OF UNEMPLOYMENT INSURANCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 96-8(6)k. is amended by adding a new sub-sub-subdivision to read:

"k. The term 'employment' does not include:

...

21. Service performed by a corporate officer, if the officer directly owns twenty-five percent (25%) or more of the employer corporation, or service performed by a member of a limited liability company, if the member directly owns twenty-five percent (25%) or more of the employer limited liability company."

SECTION 2. This act becomes effective January 1, 2006.