

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 1889

Short Title: Work Opportunity Tax Credit.

(Public)

Sponsors: Senator Hoyle.

Referred to: Finance.

May 25, 2006

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE AN INCOME TAX CREDIT FOR HIRING CERTAIN
3 DISADVANTAGED WORKERS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Part 1 of Article 4 of Chapter 105 of the General Statutes is
6 amended by adding a new section to read:

7 "**§ 105-130.48. Tax credit for hiring disadvantaged workers.**

8 (a) Definition. – As used in this section, a 'disadvantaged worker' is a person who
9 satisfies any of the following conditions:

- 10 (1) The worker is a member of a family that received payments under the
11 Temporary Assistance to Needy Families program for at least nine of
12 the last 18 months at the time of hire.
13 (2) The worker is a veteran and is a member of a family that has received
14 benefits under the Food Stamp Program for at least three of the last 15
15 months at the time of hire.
16 (3) The worker is between 18 and 24 years old when hired and a member
17 of a family that has received benefits under the Food Stamp Program
18 for the last six months at the time of hire.
19 (4) The worker received benefits from the Supplemental Security Income
20 program for any month within the last 60 days at the time of hire.

21 (b) Credit. – A taxpayer hires a disadvantaged worker to fill a full-time position
22 in this State and keeps that person as an employee for at least nine months is allowed a
23 credit for hiring that person. The amount of the credit is equal to the wages paid to the
24 disadvantaged worker during the taxable year up to a maximum of two thousand dollars
25 (\$2,000) per disadvantaged worker hired and kept by the taxpayer per year. The
26 taxpayer shall claim the credit with respect to a disadvantaged worker in the year in
27 which the nine-month period ends and the following year.

28 (c) Cap. – The credit allowed by this section may not exceed fifty percent (50%)
29 of the amount of the tax imposed by this Part for the taxable year reduced by the sum of

1 all credits allowable, except payments of tax made by or on behalf of the taxpayer. This
2 limitation applies to the cumulative amount of the credit, including carryforwards,
3 claimed by the taxpayer under this section for the taxable year. Any unused portion of
4 the credit may be carried forward for the succeeding five years."

5 **SECTION 2.** Part 2 of Article 4 of the General Statutes is amended by
6 adding a new section to read:

7 "**§ 105-151.30. Tax credit for hiring disadvantaged workers.**

8 (a) Definition. – As used in this section, a 'disadvantaged worker' is a person who
9 satisfies any of the following conditions:

- 10 (1) The worker is a member of a family that received payments under the
11 Temporary Assistance to Needy Families program for at least nine of
12 the last 18 months at the time of hire.
- 13 (2) The worker is a veteran and is a member of a family that has received
14 benefits under the Food Stamp Program for at least three of the last 15
15 months at the time of hire.
- 16 (3) The worker is between 18 and 24 years old when hired and a member
17 of a family that has received benefits under the Food Stamp Program
18 for the last six months at the time of hire.
- 19 (4) The worker received benefits from the Supplemental Security Income
20 program for any month within the last 60 days at the time of hire.

21 (b) Credit. – A taxpayer hires a disadvantaged worker to fill a full-time position
22 in this State and keeps that person as an employee for at least nine months is allowed a
23 credit for hiring that person. The amount of the credit is equal to the wages paid to the
24 disadvantaged worker during the taxable year up to a maximum of two thousand dollars
25 (\$2,000) per disadvantaged worker hired and kept by the taxpayer per year. The
26 taxpayer shall claim the credit with respect to a disadvantaged worker in the year in
27 which the nine-month period ends and the following year.

28 (c) Cap. – The credit allowed by this section may not exceed fifty percent (50%)
29 of the amount of the tax imposed by this Part for the taxable year reduced by the sum of
30 all credits allowable, except payments of tax made by or on behalf of the taxpayer. This
31 limitation applies to the cumulative amount of the credit, including carryforwards,
32 claimed by the taxpayer under this section for the taxable year. Any unused portion of
33 the credit may be carried forward for the succeeding five years."

34 **SECTION 3.** This act is effective for taxable years beginning on or after
35 January 1, 2006.