

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS55329-LY-174 (3/13)

Short Title: Work Opportunity Tax Credit.

(Public)

Sponsors: Senator Hoyle.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO CREATE AN INCOME TAX CREDIT FOR HIRING CERTAIN
DISADVANTAGED WORKERS.

The General Assembly of North Carolina enacts:

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

"§ 105-130.49. Tax credit for hiring disadvantaged workers.

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

- (1) The worker is a member of a family that received payments under the Temporary Assistance to Needy Families program for at least nine of the last 18 months at the time of hire.
- (2) The worker is a veteran and is a member of a family that has received benefits under the Food Stamp Program for at least three of the last 15 months at the time of hire.
- (3) The worker is between 18 and 24 years old when hired and a member of a family that has received benefits under the Food Stamp Program for the last six months at the time of hire.
- (4) The worker received benefits from the Supplemental Security Income program for any month within the last 60 days at the time of hire.
- (5) Within the past five years preceding the time of hire, the worker was convicted of a felony or was released from incarceration for a felony.

(b) Credit. – A taxpayer that hires a disadvantaged worker to fill a full-time position in this State and keeps that person as an employee for at least nine months is allowed a credit for hiring that person. The amount of the credit is equal to the wages paid to the disadvantaged worker during the taxable year up to a maximum of two thousand dollars (\$2,000) per disadvantaged worker hired and kept by the taxpayer per

1 year. The taxpayer shall claim the credit with respect to a disadvantaged worker in the
2 year in which the nine-month period ends and the following year.

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

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

11 "**§ 105-151.31. Tax credit for hiring disadvantaged workers.**

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

14 (1) The worker is a member of a family that received payments under the
15 Temporary Assistance to Needy Families program for at least nine of
16 the last 18 months at the time of hire.

17 (2) The worker is a veteran and is a member of a family that has received
18 benefits under the Food Stamp Program for at least three of the last 15
19 months at the time of hire.

20 (3) The worker is between 18 and 24 years old when hired and a member
21 of a family that has received benefits under the Food Stamp Program
22 for the last six months at the time of hire.

23 (4) The worker received benefits from the Supplemental Security Income
24 program for any month within the last 60 days at the time of hire.

25 (5) Within the past five years preceding the time of hire, the worker was
26 convicted of a felony or was released from incarceration for a felony.

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

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

40 **SECTION 3.** This act is effective for taxable years beginning on or after
41 January 1, 2007.