

September 11, 2007

**H 5. CREDIT FOR RETAINING JOBS IN DISTRESSED CTY.** Filed 9/11/07. *TO PROVIDE A TAX CREDIT FOR BUSINESSES RETAINING JOB POSITIONS IN CERTAIN DISTRESSED AREAS.*

Effective beginning with the 2007 taxable year, enacts new GS 105-129.8A giving a business a tax credit if the business employs the same or more full-time employees in a tier one or two county at the end of the taxable year as it did at the beginning of the taxable year. The amount of the credit is equal to 50% of the taxpayer's NC income tax liability for the previous year. The credit may be taken against franchise tax, income tax, or gross premiums tax. It may not exceed 50% of the tax against which it is claimed. The act prohibits claiming both this credit and the credit allowed under GS 105-130.46 (credit for manufacturing cigarettes for exportation while increasing employment and utilizing State Ports) for the same full-time employee positions.

**Intro. by Thomas, Brubaker.**

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