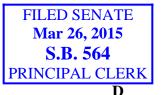
GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015



SENATE DRS15203-LR-41A (02/04)

Short Title:	UI/Direct Sellers/Nonemployee Status.	(Public)		
Sponsors:	Senator Tarte (Primary Sponsor).			
Referred to:				
A BILL TO BE ENTITLED				
AN ACT AMENDING THE UNEMPLOYMENT INSURANCE LAWS TO CLARIFY THAT				
A DIRECT SELLER IS NOT AN EMPLOYEE.				
The General Assembly of North Carolina enacts:				

SECTION 1. G.S. 96-1(b)(12)b. reads as rewritten:

"(b) Definitions. – The following definitions apply in this Chapter:

- (12) Employment. Defined in section 3306 of the Code, with the following additions and exclusions:
 - a. Additions. The term includes service to a governmental unit, a nonprofit organization, or an Indian tribe as described in 3306(c)(7) and 3306(c)(8) of the Code.

b. Exclusions. – The term excludes all of the following:

- 1. Service performed by an independent contractor.
- 2. Service performed for a governmental entity or nonprofit organization under 3309(b) and 3309(c) of the Code.
- 3. Service by one or more of the following individuals if the individual is authorized to exercise independent judgment and control over the performance of the work and is compensated solely by way of commission:
 - A. A real estate broker, as defined in G.S. 93A-2.
 - B. A securities salesman, as defined in G.S. 78A-2.
 - 4. Service performed by an individual engaged in the trade or business of selling or soliciting the sale of consumer products (including services or other intangibles) in the home or other than in a permanent retail establishment:
 - A. Pursuant to a written contract between the individual and the person for whom the services are performed and the contract expressly provides that the individual will not be treated as an employee for federal and State tax purposes; or
 - B. To any buyer on a buy-sell basis, a deposit-commission basis, or any similar basis for resale by the buyer or any other person in the home or other than in a permanent retail establishment, if substantially all the remuneration (whether or not paid



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Gener	al Assembly of North Carol	ina Session 2015
1		in cash) for the performance of the services is (i)
2		directly related to sales or other output, including the
3		performance of services, rather than to the number of
1		hours worked and (ii) pursuant to a written contract
5		between the individual and the person for whom the
5		services are performed and the contract expressly
7		provides that the individual will not be treated as an
3		employee for federal and State tax purposes.
)		rvice performed by an individual engaged in the trade or
)		siness of selling or soliciting the sale of consumer products
[cluding services or other intangibles) in a permanent retail
2		tablishment pursuant to a written contract between the
3		dividual and the owner of the retail establishment that the
1		dividual will not be treated as an employee for federal and
5		ate tax purposes if:
5	<u>A</u> .	
7	_	owner of the retail establishment;
3	<u>B.</u>	
)		over the activities of the individual while the
)		individual is at the establishment; and
	<u>C.</u>	
2		are for the sole purpose of selling to or soliciting sales
3		from persons who frequent the retail establishment."
1	SECTION 2. This act is	s effective when it becomes law.