

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 479

Short Title: Hire NC Workers.

(Public)

Sponsors: Senators Batch, Garrett, and Smith (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 4, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE TAX INCENTIVES FOR SMALL BUSINESSES TO HIRE NORTH
3 CAROLINA WORKERS.

4 Whereas, according to the U.S. Census Bureau, citing the Small Business
5 Administration Office of Advocacy, as of January 2021, in the United States, almost 25 million
6 small businesses have zero employees and approximately 5.3 million small businesses have
7 between one and 19 employees; and

8 Whereas, across all employer establishments in North Carolina, 85% are small firms
9 with one to 19 employees and will see the most severe impacts from COVID-19; and

10 Whereas, about 56% of all small employer establishments are in primary or secondary
11 high-risk industry sectors; and

12 Whereas, about two out of three North Carolina businesses having between 20 and 99
13 employees are impacted by COVID-19 and are in primary or secondary high-risk industry
14 sectors; and

15 Whereas, approximately 1,473,397 North Carolinians have filed for unemployment
16 benefits between March 15, 2020, when coronavirus-related closures started going into place,
17 and March 29, 2021, and approximately \$10,904,203,433 has been paid for claims effective as
18 of March 15, 2020; Now, therefore,
19 The General Assembly of North Carolina enacts:

20 **SECTION 1.** Article 3B of Chapter 105 of the General Statutes is amended by adding
21 a new section to read:

22 **"§ 105-129.16K. Credit for hiring State residents.**

23 (a) Small Business Credit. – An eligible small business that hires an employee who is a
24 North Carolina resident is allowed a credit under this section. The amount of the credit for a
25 full-time qualifying employee is equal to the product of seven thousand five hundred dollars
26 (\$7,500) multiplied by a fraction, the numerator of which is the number of weeks the employee
27 worked at least 35 hours and the denominator of which is 52. The amount of the credit for a
28 part-time qualifying employee is equal to the product of three thousand seven hundred fifty
29 dollars (\$3,750) multiplied by a fraction, the numerator of which is the number of weeks the
30 employee worked at least 20 hours but less than 35 hours and the denominator of which is 52. If
31 an employee worked both full-time and part-time weeks, the sum of the calculations set forth in
32 this subsection is the credit allowed for that employee.

33 (b) Restaurant Credit. – An eligible restaurant that hires a delivery driver who is a North
34 Carolina resident is allowed a credit under this section. The amount of the credit for a full-time
35 delivery driver is equal to the product of three thousand five hundred dollars (\$3,500) multiplied
36 by a fraction, the numerator of which is the number of weeks the employee worked at least 35



1 hours and the denominator of which is 52. The amount of the credit for a part-time qualifying
2 employee is equal to the product of one thousand seven hundred fifty dollars (\$1,750) multiplied
3 by a fraction, the numerator of which is the number of weeks the employee worked at least 20
4 hours but less than 35 hours and the denominator of which is 52. If a delivery driver worked both
5 full-time and part-time weeks, the sum of the calculations set forth in this subsection is the credit
6 allowed for that delivery driver.

7 (c) Definitions. – The following definitions apply in this section:

8 (1) Eligible restaurant. – A restaurant properly registered and licensed to do
9 business as a restaurant in the State and subject to income tax under Article 4
10 of this Chapter.

11 (2) Eligible small business. – A business, other than an eligible restaurant, with
12 cumulative gross receipts from business activity for the taxable year not in
13 excess of one million dollars (\$1,000,000), having fewer than 99 employees,
14 and subject to income tax under Article 4 of this Chapter."

15 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,
16 2023, and expires for taxable years beginning on or after January 1, 2024.