

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 1108

Short Title: Hire Our Veterans Private-Public Partnership. (Public)

Sponsors: Representatives Hanes and Saine (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Finance

May 11, 2016

A BILL TO BE ENTITLED

AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR BUSINESSES HIRING
VETERANS.

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. Credit for veteran pay.

(a) Credit. – A taxpayer that is a small business that employs a qualifying veteran and pays the veteran a qualifying wage is eligible for a credit against the tax imposed by this Part. The amount of the credit is equal to the number of hours for which all qualifying veterans are paid a qualifying wage by the taxpayer multiplied by one dollar and ninety cents (\$1.90).

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

(1) Qualifying veteran. – A veteran of any branch of the Armed Forces of the United States (i) whose character of service at separation was honorable or under honorable conditions and (ii) who has not been convicted of a felony offense or who has been convicted of one or more felonies but each conviction has been expunged.

(2) Qualifying wage. – An hourly wage of twelve dollars (\$12.00) or higher.

(3) Small Business. – A business with annual receipts, combined with the annual receipts of all related persons, for the applicable period of measurement did not exceed one million dollars (\$1,000,000) and with 12 or fewer employees working an average of 32 hours or more per week.

(c) Limitations. – The credit allowed under this section may not (i) exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, except tax payments made by or on behalf of the taxpayer or (ii) be taken by a taxpayer for hours worked by a qualifying veteran after the qualifying veteran has been employed by the taxpayer for more than one year.

(d) Carryforward. – Any unused portion of a credit allowed in this section may be carried forward for the succeeding five years. A successor in business may take the carryforwards of a predecessor corporation as if they were carryforwards of a credit allowed to the successor in business.

(e) Report. – The Department of Revenue shall annually report to the Revenue Laws Study Committee the number of employers claiming a credit under this section, the number of veterans for whom a credit is claimed, and the total amount of the credit claimed.



1 (f) Sunset. – This section is repealed effective for taxable years beginning on or after
2 January 1, 2019."

3 **SECTION 2.** Part 2 of Article 4 of Chapter 105 of the General Statutes is amended by
4 adding a new section to read:

5 **"§ 105-151.34. Credit for veteran pay.**

6 (a) Credit. – A taxpayer that is a small business that employs a qualifying veteran and pays
7 the veteran a qualifying wage is eligible for a credit against the tax imposed by this Part. The
8 amount of the credit is equal to the number of hours for which all qualifying veterans are paid a
9 qualifying wage by the taxpayer multiplied by one dollar and ninety cents (\$1.90).

10 (b) Definitions. – The following definitions apply in this section:

11 (1) Qualifying veteran. – A veteran of any branch of the Armed Forces of the
12 United States (i) whose character of service at separation was honorable or
13 under honorable conditions and (ii) who has not been convicted of a felony
14 offense or who has been convicted of one or more felonies but each conviction
15 has been expunged.

16 (2) Qualifying wage. – An hourly wage of twelve dollars (\$12.00) or higher.

17 (3) Small Business. – A business with annual receipts, combined with the annual
18 receipts of all related persons, for the applicable period of measurement did not
19 exceed one million dollars (\$1,000,000) and with 12 or fewer employees
20 working an average of 32 hours or more per week.

21 (c) Limitations. – The credit allowed under this section may not (i) exceed the amount of
22 tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, except
23 tax payments made by or on behalf of the taxpayer or (ii) be taken by a taxpayer for hours worked
24 by a qualifying veteran after the qualifying veteran has been employed by the taxpayer for more
25 than one year.

26 (d) Carryforward. – Any unused portion of a credit allowed in this section may be carried
27 forward for the succeeding five years. A successor in business may take the carryforwards of a
28 predecessor taxpayer as if they were carryforwards of a credit allowed to the successor in business.

29 (e) Report. – The Department of Revenue shall annually report to the Revenue Laws Study
30 Committee the number of employers claiming a credit under this section, the number of veterans
31 for whom a credit is claimed, and the total amount of the credit claimed.

32 (f) Sunset. – This section is repealed effective for taxable years beginning on or after
33 January 1, 2019."

34 **SECTION 3.** This act is effective for taxes imposed for taxable years beginning on or
35 after January 1, 2017, and for qualifying veterans hired on or after that date.