

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

**SESSION LAW 2003-405  
HOUSE BILL 1241**

AN ACT TO DELAY THE REINSTATEMENT OF THE TWENTY PERCENT  
UNEMPLOYMENT INSURANCE SURTAX.

**SECTION 1.** G.S. 96-9(b)(3)j. reads as rewritten:

"j. A tax is imposed upon contributions at the rate of twenty percent (20%) of the amount of contributions due. The tax is due and payable at the time and in the same manner as the contributions. The tax does not apply in a calendar year if, as of August 1 of the preceding year, either of the following conditions was met: (i) the amount in the Reserve Fund equals or exceeds one hundred sixty-three million three hundred forty-nine thousand dollars (\$163,349,000), which is one percent (1%) of taxable wages for calendar year 1984-1984, or (ii) the balance in the Unemployment Insurance Fund established by G.S. 96-6(a) is five hundred million dollars (\$500,000,000) or less. The collection of this tax, the assessment of interest and penalties on unpaid taxes, the filing of judgment liens, and the enforcement of the liens for unpaid taxes is governed by the provisions of G.S. 96-10 where applicable. Taxes collected under this subpart shall be credited to the Employment Security Commission Reserve Fund, and refunds of the taxes shall be paid from the same Fund. Any interest or penalties collected on unpaid taxes shall be credited to the Special Employment Security Administration Fund, and any interest or penalties refunded on taxes imposed by this subpart shall be paid from the same Fund."

**SECTION 2.** This act is effective when it becomes law. This act is repealed for taxes imposed in the 2005 and subsequent calendar years.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of July, 2003.

s/ Beverly E. Perdue  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 11:20 a.m. this 12<sup>th</sup> day of August, 2003