

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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**SENATE BILL 1621
Finance Committee Substitute Adopted 6/15/06**

Short Title: Wage Standard - Certain Manufacturers.

(Public)

Sponsors:

Referred to:

May 18, 2006

A BILL TO BE ENTITLED

1
2 AN ACT TO REVISE THE WAGE STANDARD UNDER THE BILL LEE ACT FOR
3 CERTAIN MANUFACTURERS WHOSE BUSINESS UTILIZES A
4 SEQUENTIAL MANUFACTURING PROCESS IN SEPARATE FACILITIES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-129.4(b) reads as rewritten:

7 "(b) Wage Standard. – A taxpayer is eligible for the credit for creating jobs in an
8 enterprise tier three, four, or five area if, for the calendar year the jobs are created, the
9 average wage of the jobs for which the credit is claimed meets the wage standard and
10 the average wage of all jobs at the location with respect to which the credit is claimed
11 meets the wage standard. No credit is allowed for jobs not included in the wage
12 calculation. A taxpayer is eligible for the credit for investing in machinery and
13 equipment, the credit for research and development, or the credit for investing in real
14 property for a central office or aircraft facility in a tier three, four, or five area if, for the
15 calendar year the taxpayer engages in the activity that qualifies for the credit, the
16 average wage of all jobs at the location with respect to which the credit is claimed meets
17 the wage standard. In making the wage calculation, the taxpayer must include any
18 positions that were filled for at least 1,600 hours during the calendar year the taxpayer
19 engages in the activity that qualifies for the credit even if those positions are not filled at
20 the time the taxpayer claims the credit. For a taxpayer with a taxable year other than a
21 calendar year, the taxpayer must use the wage standard for the calendar year in which
22 the taxable year begins. No wage standard applies to credits for activities in an
23 enterprise tier one or two area. For the purposes of this subsection, for a fiber, yarn, or
24 thread mill that uses a sequential manufacturing process in which separate parts of the
25 sequential manufacturing process are performed in different facilities within the same
26 county, the term 'location' may mean either the specific establishment or all facilities in
27 the county in which parts of the process are performed.

28 Part-time jobs for which the taxpayer provides health insurance as provided in
29 subsection (b2) of this section are considered to have an average weekly wage at least

1 equal to the applicable percentage times the applicable average weekly wage for the
2 county in which the jobs will be located. There may be a period of up to 100 days
3 between the time at which an employee begins a part-time job and the time at which the
4 taxpayer begins to provide health insurance for that employee.

5 Jobs meet the wage standard if they pay an average weekly wage that is at least
6 equal to one hundred ten percent (110%) of the applicable average weekly wage for the
7 county in which the jobs will be located, as computed by the Secretary of Commerce
8 from data compiled by the Employment Security Commission for the most recent period
9 for which data are available. The applicable average weekly wage is the lowest of the
10 following: (i) the average wage for all insured private employers in the county, (ii) the
11 average wage for all insured private employers in the State, and (iii) the average wage
12 for all insured private employers in the county multiplied by the county income/wage
13 adjustment factor. The county income/wage adjustment factor is the county
14 income/wage ratio divided by the State income/wage ratio. The county income/wage
15 ratio is average per capita income in the county divided by the annualized average wage
16 for all insured private employers in the county. The State income/wage ratio is the
17 average per capita income in the State divided by the annualized average wage for all
18 insured private employers in the State. The Department of Commerce must annually
19 publish the wage standard for each county."

20 **SECTION 2.** This act is effective for taxable years beginning on or after
21 January 1, 1996.