

State and Federal Incentive Programs

Article 3J Tax Credits:

Provides North Carolina state tax credits for manufacturing, aircraft maintenance and repair, air courier services hub, company headquarters that creates at least 75 new headquarters jobs, customer service call centers, electronic shopping and mail order houses, information technology and services, motorsports facility, motorsports racing team; research and development, warehousing, and wholesale trade facilities.

Credits are available for creating jobs, and investing in business property. The average wage of all full-time workers employed by the taxpayer at the establishment during the taxable year must meet or exceed the applicable wage standard of the county in which the establishment is located; the taxpayer must offer qualifying health insurance for all full-time positions at the establishment and pay at least fifty percent (50%) of employee premiums; the taxpayer must not have received any significant environmental violations with the North Carolina Department of Environment and Natural Resources within the prior five years; the taxpayer must not have received any "willful" or "failure to abate" serious OSHA violations at the establishment within the prior three years; and the taxpayer may not have overdue taxes.

Eligible taxpayers that meet a minimum threshold of new full-time jobs created during the taxable year may claim a credit for each new job created. The credit is taken in equal installments over four years following the year the jobs are created. The job threshold and the credit amount per job are determined by the tier designation of the county in which the jobs are created. Eligible taxpayers may also claim a credit based on a percentage of the cost of capitalized tangible personal property that is placed in service during the taxable year, in excess of an applicable threshold. This credit is taken in equal installments over four years, beginning the year after the property is first placed in service. The credit percentage and threshold are based on the tier designation of the county where the property is placed in service.

One NC Fund:

The One NC Fund provides funds for improvements or renovations of existing buildings, the purchase of equipment, structural repairs, for expansion and construction of or improvements to new or existing water, sewer, gas or electric utility distribution lines, or equipment for existing buildings. Moneys may also be used for construction of or improvements to new or existing water, sewer, gas or electric utility distribution lines, or equipment to serve new or proposed industrial buildings used for manufacturing and industrial operations. Funding is provided at the discretion of the Governor, usually provided on an amount for each full-time job created, which is determined by the NC Department of Commerce and the Governor. Factors considered include economic impact, strategic importance to the state, region or locality, quality of jobs, quality of industry and project, and environmental impact.

Job Development Investment Grant:

Provides a percentage up to 75% (designated by the Economic Investment Committee) of employee state income tax receipts per full-time job created, for approximately 10 years. The employee salary must meet the average wage standard of \$496 per week and the company must provide health insurance. There are a limited number of grants given each year and each request must be approved first by the NC Department of Commerce and second by the Economic Investment Committee for businesses.

Golden Leaf Foundation Fund:

Provides funding for initiatives that result in job creation and retention in tobacco-dependent or economically distressed counties; improve new and existing business performance in tobacco-dependent or economically distressed areas through responsible and effective technology and business training; and supports programs that assist with small business and entrepreneurial interests related to cultural, heritage, and eco-tourism.

Industrial Revenue Bonds:

Industrial revenue bonds are issued by a governmental entity which borrows money and uses the loan proceeds to finance a manufacturing plant or other facility for a specific private company. The governmental entity uses the company's loan repayments to retire the bonds. The principal amount may not exceed \$10 million on federal bonds, state bonds do not have a principal cap. Typically, the interest rates on IRB loans are lower than the current market rate.

Community College Industrial Training Programs:

The program trains workers for any new or expanding business that has created at least twelve new jobs. The program pays the instructors wages and travel costs, for classroom materials, and for the use of the facility used for training.

Community Development Block Grant:

The CDBG program provides funding for infrastructure such as roads, water, and sewer for businesses. Businesses must pay 110% of Alexander County's average wage. The cap is \$750,000 and it requires a 25% match. In addition, the business must agree to hire 60% of employees from low to moderate-income levels.

Building Reuse and Restoration Grant:

This program assists communities in returning vacant properties to job-generating use. The grants match other public and private funding to restore, renovate, and equip properties for use by new and expanding businesses. Grant amounts depend on the number of new jobs that will be generated and the project's overall economic impact. Applicants must show that the project will create net new, full-time jobs in the private sector within 24 months of the grant award.

Department of Transportation Rail Industrial Access Program:

The DOT Rail Industrial Access Program provides funding for a portion of the cost of constructing or refurbishing spur tracks to new or expanded industrial facilities. The funded portion is between 35 and 50 percent of eligible project costs, with the percentage funded determined by the project's score in an economic benefit point system that credits jobs created, amount of capital investment, number of rail carloads to be generated, and whether the project is in a distressed county or will preserve a short line railroad. The program will fund site preparation, switches, track construction, and grade crossings and signals. It will not fund engineering, utility relocation, right-of-way relocation or rail docks.

Department of Transportation Site Access Fund:

The DOT Site Access Fund provides funding for the construction of roads to new industrial facilities that also qualify for the William S. Lee Act. Departmental policies provide that the number of employees at the facility and the amount of truck traffic to and from the facility will be primary justifications for assistance.

On-The-Job-Training (OJT):

OJT is a federally funded activity through the Workforce Investment Act that can reimburse employers up to 50% of an employee's wages during his/her training. It is designed to give unemployed or under-employed workers the opportunity to learn valuable new skills beneficial to the workforce. OJT encourages employers to provide the training and allows for monetary incentives to help compensate for training time and cost.

Incumbent Workforce Development Grant:

The Incumbent Workforce Development Grant program provides funding to established North Carolina businesses to provide educational and skills training for current workers. It is designed to benefit business by enhancing the skills of employees, thereby increasing employee productivity and the potential for company growth. Maximum funding for any project is \$37,500. The business must state that it is not eligible for or has exhausted efforts to secure funding through existing incumbent worker training programs in the North Carolina Community College System, or the university system, such as the New and Expanding Industries Program and the Focused Industrial Training Program.