

January 29, 1998

MEMORANDUM

TO: Community College Presidents

FROM: Barry Russell

SUBJECT: EMPLOYER/EMPLOYEE TAX CREDIT

Periodically, we receive inquiries regarding employer and employee tax credits. Therefore, we are forwarding information to you on the tax credits of which we are aware. Please contact me if you have knowledge of other tax credits that directly, or may indirectly, impact our delivery of workforce preparedness programs.

1. The William S. Lee Quality Jobs and Business Expansion Act, Amended

The 1996 General Assembly created two forms of tax incentives for business. One is the Tax Incentives for New and Expanding Business (Article 3A) and the second is the Business Tax Credit (Article 3B). An overview of this legislation is attached. With the exception of the Worker Training Tax Credit (WTTC), the Department of Commerce is the governmental agency which provides certification services for these programs. With the WTTC, the taxpayer first applies to Commerce for certification and then requests approval of the taxpayer's proposed training program from the North Carolina Community College System Office. Information on how a taxpayer obtains training program approval is attached.

2. The Work Opportunities Tax Credit

The Work Opportunities Tax Credit (WOTC) program offers employers a credit against their tax liability for hiring individuals from the following target groups who have traditionally had difficulty obtaining and retaining jobs: Qualified IV-A Recipients, Qualified Veterans, Qualified Ex-Felons, High Risk Youth, Vocational Rehabilitation Referral, Qualified Summer Youth Employee, Qualified Food Stamp Recipient, Qualified Supplemental Security Income Recipient, and Qualified Long Term Welfare Recipient. An overview of the WOTC program is attached. Further information about this program may be obtained from the North Carolina Employment Security Commission.

3. The Earned Income Tax Credit

Low income working families can qualify to get more take home pay through the Earned Income Tax Credit (EITC). The amount of EITC a family can receive depends on their income and the number of children in the household. An overview of the EITC program is attached. Further information about this program may be obtained from the North Carolina Department of Health and Human Services, Division of Social Services.

We hope this information will be beneficial to you. Thank you for your inquiries.

BR/CB/LFW  
Attachment

CC-98-029  
Paper Copy

pc: Senior Continuing Education Administrators