

North Carolina Appendix

Key North Carolina Subsidy Programs

Program	Recent Annual Cost	Online Recipient Disclosure	Recipient Disclosure Score*
Credit for Qualifying Expenses of a Production Company - refundable corporate income tax credits for film production; critics argue job creation claims have been exaggerated	\$22.5 million (2010)	source	52/100
Job Development Investment Grants (JDIG) - grants funded by worker personal income tax withholding for firms which meet job-creation requirements	\$15 million (2010)	source	93/100
One North Carolina Fund - controversial "deal closing" grants for firms which meet wage requirements; funds can be used only for qualified expenses and local communities must commit matching funds	\$6.3 million (2009)	source	88/100
Tax Credits for New and Expanding Businesses (Article 3J Credits) - corporate income tax credits for firms which meet job creation, wage, and investment requirements; replacing William S. Lee credits	\$5.4 million (2010)	source	49/100
William S. Lee Quality Jobs and Business Expansion Act (Article 3A) - controversial corporate income tax and other credits for businesses which meet job creation, wage, and investment requirements and engage in a qualified activity; no new recipients since 2007 but has significant ongoing fiscal impact	\$92.1 million (2010)	source	64/100
Average of Disclosure Scores for All Programs			69

*See next page for scoring details

Show Us the Subsidies: Scoring Details for North Carolina Programs		<i>Maximum possible score for category</i>	Credit for qualifying expenses of a production company	Job Development Investment Grants (JDIG)	One North Carolina Fund	Tax Credits for New and Expanding Businesses (Article 3J Credits)	William S. Lee Quality Jobs and Business Expansion Act (Article 3A)
<i>Score criteria</i>							
Subsidy Value	Not disclosed (0 pts)	40	30	40	40	40	40
	Either amount approved OR actual amount disbursed/claimed (30 pts)						
	BOTH amount approved AND actual amount disbursed/claimed (40 pts)						
Location of subsidized facility	Not disclosed (0 pts)	15	5	5	5	0	0
	ONLY locality (city/county/other political jurisdiction) (5 pts)						
	Locality AND street address (15 pts)						
Jobs/training outcomes	Not disclosed (0 pts)	15 (if BOTH promised and actual reported)	0	15	15	5	10
	Number of jobs or training slots promised/projected (5 pts)						
	Actual number of jobs created/retained or trainings completed (10 pts)						
Wage rates/payroll outcomes	Not disclosed (0 pts)	15 (if BOTH promised and actual reported)	10	15	15	0	0
	Wage rates/payroll promised/projected (5 pts)						
	Actual wage rates/payroll (10 pts)						
Available year(s) of recipient data	Earlier than 2005 only or unknown (0 pts)	5 (at least 1 year from '05-'08 AND '09-'10)	5	5	5	2	5
	2005, 2006, 2007 and/or 2008 only (2 pts)						
	2009 and/or 2010 only (3 pts)						
Searchability of recipient list	Unsearchable (0 pts)	5	2	2	2	2	2
	CTRL-F searchable in HTML or PDF (2 pts)						
	Search engine or downloadable spreadsheet (5 pts)						
Ease of access	Source difficult to find (0 pts)	5	0	2	2	0	0
	Listed in annual report or other obvious location (2 pts)						
	Separate, clear disclosure site (5 pts)						
Total before extra credit		100	52	84	84	49	57
<i>Extra credit categories</i>		<i>Maximum possible</i>					
Program is most costly among those reviewed (7 pts); second most costly (5 pts)		7	0	5	0	0	7
Copies of approved applications or signed agreements available on website		4	0	0	0	0	0
Compliance or performance reports available on website		4	0	4	4	0	0
Wage data disaggregated		4	0	0	0	0	0
Data contained in open government website providing wider fiscal data		2	0	0	0	0	0
Recipient Dun's or Employer Identification Number (EIN) provided		2	0	0	0	0	0
Recipient NAICS industry code provided		2	0	0	0	0	0
Total extra credit		25	0	9	0	0	7
TOTAL AFTER EXTRA CREDIT		125	52	93	88	49	64

*See next page for notes on scoring

North Carolina Program Scoring Notes

Credit for Qualifying Expenses of a Production Company (Film Production Tax Credit)

Program Information: <http://www.ncfilm.com/incentives-benefits/New-25-tax-credit.html>

Disclosure Website: http://www.dornc.com/publications/credits_incentives.html

Recipient information for film production credits is posted on the Department of Revenue (DOR) website as a PDF list. From DOR website click on any of the three large icons: Individuals, Business, Tax Professionals. Look for the "Reports and Statistics" link. Under the "Analysis and Statistics" header click on "Other Credit and Incentive Reports," select the year, then click on "Film Production Tax Credits". Enacted 2006.

Job Development Investment Grants (JDIG)

Program Information:

<http://www.nccommerce.com/en/BusinessServices/LocateYourBusiness/WhyNC/Incentives/Job+Development+and+Investment+Grant/>

Disclosure Website:

<http://www.nccommerce.com/en/AboutDOC/PublicationsReports/EconomicDevelopmentIncentiveReports.htm>

Multiple disclosure reports are available on the NC Department of Commerce website: "Eco Grant Report for 2009", JDIG Annual Report, JDIG Quarterly Report, Final Clawback Report. To reach these reports click on Publications and Reports under the About Our Department tab, then Economic Development Incentive Reports. The [Economic Development Grant Report for 2009](#) is the most comprehensive disclosure resource.

One North Carolina Fund (One NC)

Program Information:

<http://www.nccommerce.com/en/BusinessServices/LocateYourBusiness/WhyNC/Incentives/OneNorthCarolinaFund/>

Disclosure Website:

<http://www.nccommerce.com/en/AboutDOC/PublicationsReports/EconomicDevelopmentIncentiveReports.htm>

Multiple disclosure reports are available on the NC Department of Commerce website: "Eco Grant Report for 2009", One NC Balance Summary, Final Clawback Report. To reach these reports click on Publications and Reports under the About Our Department tab, then Economic Development Incentive Reports. The [Economic Development Grant Report for 2009](#) is the most comprehensive disclosure resource.

Tax Credits for New and Expanding Businesses (Article 3J)

Program Information:

<http://www.nccommerce.com/en/BusinessServices/LocateYourBusiness/WhyNC/Incentives/3J.htm>

Disclosure Website: http://www.dor.state.nc.us/publications/growing_businesses.html

Replaced William S. Lee credits effective 2007. Recipient information is posted on the Department of Revenue website in PDF files. From the DOR website click on any of the three large icons: Individuals, Business, Tax Professionals. Look for the "Reports and Statistics" link. Under the "Analysis and Statistics" header click on the program name, then select the year. Subsidy values for 2010 are disclosed in two separate reports; see [Details of Credits Taken, Article 3J](#) for amounts disbursed in 2010 but earned in previous years, and [Details of Credits Generated, Article 3J](#) for amounts approved which will be disbursed/claimed in the coming years. These two reports are not available for 2009, but subsidy value information on credits generated is still available, although spread across [three separate reports](#) which are sorted by type of credit. For 2009 and 2010, investment information is available in the Investing in Real Property and Investing in Business Property reports. Job data is available in the Creating Jobs reports.

William S. Lee Quality Jobs and Business Expansion Act (Article 3A)

Program Information:

<http://www.nccommerce.com/en/BusinessServices/SupportYourBusiness/Incentives/article3aleeactarchivedwagestandards.htm>

Disclosure Website: <http://www.dornc.com/publications/williamslee.html>

No longer an active program, but still has significant fiscal impact from agreements made before Article 3J took effect in 2007. Recipient information is posted on the Department of Revenue (DOR) website in PDF files. From DOR website click on any of the three large icons: Individuals, Business, Tax Professionals. Look for the "Reports and Statistics" link. Under the "Analysis and Statistics" header click on the program name, then select the year. Subsidy value information on amounts disbursed in a given year is available in the Details on Credits Taken reports. For credits generated in a given year and approved for disbursement in the coming years see the Details on Credits Generated reports. Investment information is available in the Machinery and Equipment Investment and Investing in Central or Office or Aircraft Facility reports. Eligible expenses are reported in the Research and Development report. Jobs data is available in the Creating Jobs, Creating Jobs in Development Zones, and Worker Training reports.