

NORTH CAROLINA Appendix

Key NORTH CAROLINA Subsidy Programs

Program	Recent Annual Cost	Online Recipient Disclosure	Recipient Disclosure Score*
Film Production Tax Credit – controversial refundable corporate income tax credits for film production	\$69.3 million (FY 2013)	source 1 source 2	61/100
Job Development Investment Grant - grants funded by worker personal income tax withholding for firms which meet job-creation requirements	\$17.1 million (CY 2011)	source	74/100
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	\$4.8 million (2007- 2013)	source	47/100
Tax Credits for New and Expanding Businesses (Article 3J Credits) - corporate income tax credits for firms which meet job creation, wage, and investment requirements; replaced William S. Lee credits	\$28.5 million (CY 2012)	source	30/100
William S. Lee (Article 3A) Tax Credits - 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	\$39.4 million (CY 2012)	source	30/100
Average of Disclosure Scores for All Programs			48% (242/500)

*See next page for scoring details

<i>Show Us the Subsidized Jobs:</i> Scoring Details for NORTH CAROLINA Programs		<i>Maximum possible score for category</i>	Film Production Tax Credit	Job Development Investment Grant	One North Carolina Fund	Tax Credits for New and Expanding Businesses (Article 3J)	William S. Lee (Article 3A) Tax Credits
<i>Score criteria</i>							
Subsidy Value	BOTH amount approved AND actual amount disbursed/claimed (15) -	15	15	15	15	15	15
	Either amount approved OR actual amount disbursed/claimed (10) -or-						
	Performance-based with actual amount disbursed/claimed (15)						
Status of Award	Indication or whether award is completed, active, terminated (5)	15	0	15	10	0	0
	Disclosure of whether enforcement action taken (5)						
	Disclosure of amount clawed back or recalibrated or rescinded (5)						
Jobs Reporting	Number of jobs or training slots promised/projected ONLY (5) -or-	20	15	20	5	15	15
	Actual number of jobs created/retained or trainings ONLY (15) -or-						
	BOTH promised/projected and actual (20)						
Wages Reporting	Wage rates/payroll promised/projected only (10) -or-	20	15	18	10	0	0
	Actual wage rates/payroll only (15) -or-						
	Both promised and actual (18) -or-						
	Either promised and actual with wage disaggregation (20)						
Project Information	Location with street address (10)	15	10	0	0	0	0
	Indication whether the project is a relocation (3)						
	Project documents OR total subsidy package data (2)						
Company Information	DUNS or FEIN (2)	5	0	0	1	0	0
	NAICS (1)						
	Parent company (2)						
User Features	Ease of access (3)	10	6	6	6	3	3
	Multiple years of data (3)						
	Downloadable (2)						
	Part of or linked to a wider government transparency site (2)						
<i>Total before penalty</i>		100	61	74	47	33	33
<i>Penalty points (see reasoning on following page)</i>			0	0	0	-3	-3
TOTAL PROGRAM SCORE			61	74	47	30	30

*See next page for notes on scoring

NORTH CAROLINA Program Scoring Notes

The North Carolina Department of Commerce posts on its [website](#) disclosure reports for several subsidy grant programs, including Joint Legislative Commission on Governmental Operations (Gov Ops) quarterly reports on the One NC Fund, Job Development Investment Grants (JDIG) quarterly and the most recent annual reports, and two the most recent Clawback reports. The most comprehensive disclosure resource used to be *The Economic Development Grant Report*. Currently available online, 2012 and 2013 reports include statistical information on subsidy programs and PDF tables with information on projects' subsidy value, projected wages and created jobs, but, unfortunately, no company names.

North Carolina also discloses recipient information for several of its economic development tax subsidies. The disclosure is posted on the North Carolina Department of Revenue (DOR) [website](#) under *2013 Economic Incentives Report*.

Film Production Tax Credit

Disclosure Website 1: <http://www.dor.state.nc.us/publications/incentives/2013/filmcredits.html>

Disclosure Website 2: <http://www.ncfilm.com/incentive-reports.html>

Film Production Tax Credit recipient information is posted on the North Carolina DOR and the North Carolina Film Office websites. Both websites host the same reports for 2005 and after. The reports include only credits claimed but because the film tax credit is a performance-based program it receives full points in the Subsidy Value category. In the User Features category the program receives points for ease of access and multiple years of data.

Job Development Investment Grants (JDIG)

Disclosure Website: <http://www.nccommerce.com/research-publications/incentive-reports>

Company specific information is available in the JDIG annual report posted on the Department of Commerce website. The [2012 Annual Report](#) includes several tables with information on companies new to the program (targeted jobs and wages, and maximum allowed subsidy amounts per year and in total) and on companies that have benefited from the program (jobs created, wages paid, and annual subsidy amounts received). The report also includes historical information on subsidies paid since 2003 and on companies withdrawn or terminated from the program. JDIG clawback amounts are included in the *Clawback Reports* posted on the Commerce's Economic Development Incentive Reports webpage. See for example the October 2013 report:

<http://www.nccommerce.com/Portals/0/Incentives/CLAWBACK%20REPORT%20%28due%2010%201%2013%29.pdf>.

The program also receives points for ease of access and multiple years of data in the User Features category.

One North Carolina Fund

Disclosure Website: <http://www.nccommerce.com/research-publications/incentive-reports>

Company specific information is included in [Gov Ops](#) quarterly reports posted on the Commerce Department Incentive Reports webpage. The reports include information on companies currently in the program (in the Balance table) and on companies that have benefited from the program (The Disbursement table includes projects since 1993). In the Status of Award category, the program receives points for basic status and for clawback amounts, which are disclosed in the *Clawback Reports* posted on the disclosure webpage. See for example the October 2013 report:

<http://www.nccommerce.com/Portals/0/Incentives/CLAWBACK%20REPORT%20%28due%2010%201%2013%29.pdf>.

The program also receives points for ease of access and multiple years of data in the User Features category.

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

Disclosure Website: <http://www.dor.state.nc.us/publications/incentives/2013/index.html>

Subsidy values are disclosed in two separate HTML tables posted on the DOR webpage. Amounts of credits taken are available after clicking on the Articles 3J links in the main HTML table. Credits generated are available in a smaller HTML table, Reports of Credits Generated, located under the main table. Jobs outcomes are available only for the Creating Jobs component of the Articles 3J (click on the Creating Jobs link). The program's historical data is available on the Economic Incentive Archive webpage: <http://www.dornc.com/publications/incentives/archives.html> For 2011 and 2012 data, click on the Incentive Report links; for 2009 and 2010 data, click on the Tax Credits for Growing Businesses (Article 3J) link. In the User Features category, the program receives points for multiple years of data only.

We penalize Articles 3J Credits three points because job data is available only for one component of the program, Creating Jobs. Remaining components--Business Property Investment and Real Property Investment-- provide investment data only.

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

Disclosure Website: <http://www.dor.state.nc.us/publications/incentives/2013/index.html>

Subsidy values are disclosed in two separate HTML tables posted on the DOR webpage. Amount of credits taken are available after clicking on Articles 3A links in the main HTML table. Credits generated are available in a smaller HTML table, Reports of Credits Generated, located under the main table. Click on the Article 3A Credits Generated by Taxpayer link. Historical data on the 3A Credits taken and

generated and on job and investment outcomes is available on the Economic Incentive Archive website: <http://www.dornc.com/publications/incentives/archives.html>. For 2012 and 2011 data, click on the Incentive Report links; for 2003 to 2010 data, click on the William S. Lee Act Credits (Article 3A) link. The 2013 report does not include information on jobs created.

We penalize Articles 3A Credits three points because job data is available only for some components of the program: Creating Jobs, Creating Jobs in Development Zones, and Worker Training. Machinery and Equipment Investment and Research and Development components provide only investment data.