

Raleigh/Durham Incentive Overview

Source: www.raleigh4u.com

Tax Credits

Article 3J Tax Credits

Credit for Creating Jobs

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.

	Raleigh Raleigh UPZ*	
Job Threshold	15	5
Credit per Job	\$750	\$1,750

Credit for Investing in Business Property

Eligible taxpayers may 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. The credit is taken in four equal installments over four years, beginning the year after the property is first placed in service.

	Raleigh	Raleigh UPZ*
Threshold	\$2 million	\$0
Credit %	3.50%	7

R&D Tax Credits

The amount of the Research and Development tax credit is based on a percentage of qualified research expenses. Enhanced credits for research performed with North Carolina Universities. Businesses with qualified North Carolina research expenses are allowed a credit equal to a percentage of those expenses. The allowable credits are determined by:

Small business (annual receipts less than \$1 million): Qualified businesses on the last day of the taxable year are allowed a credit of 3%.

Other research: For businesses with annual receipts greater than \$1 million,

Qualified Expenses	Rate
\$0 - \$50 million	1%
\$50 - \$200 million	2%
\$200 million+	3%

A business with North Carolina university research expenses for the taxable year is allowed a credit equal to 15% of those expenses.

Job Development Investment Grant

The Job Development Investment Grant (JDIG) is a discretionary incentive that provides sustained annual grants to new and expanding businesses measured against a percentage of withholding taxes paid by new employees. Only 25 grants are available statewide annually. JDIG is only available for very large economic development projects.

One North Carolina Fund

The One North Carolina Fund helps recruit and expand quality jobs in high value-added, knowledge-driven industries. The fund is competitive and the location or expansion must be in competition with another location outside the state.

For a company to be considered:

- The Company must agree to meet an average wage test.
- Local units of government (city or county) must agree to match financial assistance to the company.