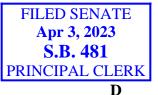
GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2023



S

SENATE BILL DRS45223-NIfa-91

Short Title:	Small Business Investment Grant.	(Public)
Sponsors:	Senators Batch, Garrett, and Salvador (Primary Sponsors).	
Referred to:		

1 A BILL TO BE ENTITLED 2 AN ACT TO PROVIDE FUNDS TO ASSIST SMALL BUSINESSES. 3 Whereas, the unprecedented issues surrounding COVID-19 have impacted North 4 Carolina's business economy; and 5 Whereas, small businesses, particularly those in underserved areas, have been more 6 significantly impacted; and 7 Whereas, small businesses need access to capital to make crucial investments and stay 8 afloat during this pandemic; Now, therefore, 9 The General Assembly of North Carolina enacts: SECTION 1.(a) Appropriation. – There is appropriated from the General Fund to 10 11 the Department of Commerce the sum of two hundred fifty million dollars (\$250,000,000) to be 12 used as provided in this section. Funds appropriated in this section do not revert but remain 13 available to the Department for these purposes. 14 **SECTION 1.(b)** Purpose. – The purpose of this section is to help small businesses 15 in North Carolina that experienced economic disruption as a result of the COVID-19 pandemic 16 by providing grants awarded by the Department, in consultation with the North Carolina 17 Department of Revenue, to offset the economic harm suffered and to promote economic 18 development and maintain economic stability by helping to preserve and sustain a vital element 19 of the State's economy. 20 SECTION 1.(c) Small Business Recovery Program. - There is created the 21 COVID-19 Small Business Recovery Program to be administered by the Department of 22 Commerce. The Department may provide a one-time grant to each qualifying business. For 23 purposes of this section, a qualifying business is an entity (i) subject to income tax under Article 24 4 of Chapter 105 of the General Statutes, (ii) with annual receipts, when combined with the 25 annual receipts of all related persons, for the 2019 tax year of eight million dollars (\$8,000,000) 26 or less, and (iii) a reduction of at least twenty-five percent (25%) in sales tax collections resulting 27 from the COVID-19 pandemic for the 2020 tax year when compared to collections for the 2019 28 tax year. 29 **SECTION 1.(d)** Grant Program Application; Limitations. – A qualifying business 30

must apply to the Department for a grant during the time frame and on a form prescribed by the Department and must include any supporting documentation required by the Department. The Department may accept applications until the funds appropriated in this section have been fully awarded. The grant amount to a qualifying business may not exceed the lesser of (i) two hundred fifty thousand dollars (\$250,000) or (ii) the amount of reduction in sales tax collections of the qualifying business resulting from the COVID-19 pandemic for the 2020 tax year when compared to collections for the 2019 tax year. The total of all grants awarded under this Program



General Assembly Of North Carolina

may not exceed two hundred fifty million dollars (\$250,000,000). The Department shall verify 1 2 that the business is a qualifying business with the Department of Revenue. Notwithstanding 3 G.S. 105-259, the Department of Revenue may disclose tax information to the Department of 4 Commerce to verify eligibility for the program. The Department's grant determinations based on 5 applications filed are final. 6 **SECTION 1.(e)** Clawback. – A grant under the program authorized in this section 7 shall be conditioned on a recipient business maintaining operations for a minimum of six months 8 following receipt of the grant, and the Department shall clawback a proportionate amount of the 9 grant for any portion of the six months the recipient business does not maintain business 10 operations. 11 **SECTION 2.** G.S. 105-153.5(b) is amended by adding a new subdivision to read: 12 "(15a) The amount granted to a taxpayer during the taxable year under the Small 13 Business Recovery Program." 14 **SECTION 3.** Section 2 of this act is effective for taxable years beginning on or after January 1, 2023, and expires for taxable years beginning on or after January 1, 2024. The 15

16 remainder of this act is effective when it becomes law.