

L. Tax Credits (G.S. 105-228.5A, G.S. 97-29.1, G.S. 105-129.16B, Article 3A of Chapter 105)

1. Guaranty Assessment Credits

North Carolina Guaranty Association assessments paid by insurers may be used as a credit against premium tax. The credit is 20% per year for a period of five years beginning with the year after payment of the assessment. Applies to all insurance Guaranty Association and Life and Accident and Health Insurance Guaranty Association assessments paid. The credit may not exceed the premium tax liability for the year. Self-Insured Guaranty Association assessments paid may be applied as a 100% credit for the year in which it is paid.

2. Supplemental Workers' Compensation Credits

Supplemental workers' compensation benefits paid to NC residents may be applied as a credit.

3. Tax Incentive Credits

Tax credits provided under Article 3A are allowed to be taken against gross premiums tax. The Article 3A credits are the tax incentives for new and expanding businesses. These various credits can be taken against the gross premiums tax effective for taxable years beginning on or after January 1, 1999.

4. Tax Credit for Low-income Housing

Effective for taxable years beginning on or after January 1, 2001, for buildings placed in service on or after that date, the tax credit for low-income housing may be taken against gross premium tax. See "Credit for Low-income Housing" in the "Credits" section for further information about this credit.