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Yancey County's economic development tier ranking changed

STAFF REPORTS

N.C. Commerce Secretary Jim Fain announced county tier designations for 2009. The designations, which are mandated by state law, determine a variety of state funding opportunities to assist in economic development.

"The tier designations help ensure that our less prosperous counties have the tools they need to attract businesses to their communities," Fain said. "Our goal is to enhance economic opportunities statewide to enable all of our residents to find sustainable, well-paying jobs regardless of their location in our state."

Counties are assigned a tier designation ranking from one to three with Tier 1 being the most economically distressed and Tier 3 being the least. Eligible businesses that locate in lower-tiered counties are eligible for larger tax credits than those that locate in higher-ranked areas.

Seven counties changed tier designations for 2009. Duplin, Wayne, Yancey and Craven each moved up to a higher tier, while Franklin, Chowan and Wilkes each moved down one tier to a lower ranking for the coming year.

The law calls for the 40 most distressed counties to become Tier 1 counties, the middle 40 counties to be designated as Tier 2 and the 20 most prosperous counties to become Tier 3 counties.

The rankings are based on an assessment of each county's unemployment rate, median household income, population growth and assessed property value per capita. In addition, any county with a population of less than 12,000 or a county with a population of fewer than 50,000 residents with 19 percent or more of those people living below the federal poverty level automatically are designated as one of the 40 most distressed counties.

Tier designations determine the available amount of tax credits for job creation and business property investment in a list of eligible industries. They include manufacturing, motorsports, aircraft maintenance and repair, air courier services, warehousing, customer service call centers, research and development, electronic shopping and mail order houses, wholesale trade and information technology.

All eligible companies are required to offer employees health insurance and pay at least 50 percent of the premiums, cannot owe back taxes and cannot have received a significant environmental violation notice from the state Department of Environment and Natural Resources. In Tier 2 and Tier 3 counties, companies also must meet a wage test.

Potential benefits to companies under each tier designation include:

Tier 1 - \$12,500 tax credit per new job with a requirement to create at least five jobs, and a 7 percent tax credit for eligible business property expenditures.

Tier 2 - \$5,000 tax credit per new job with a requirement to create at least 10 jobs, and a 5 percent tax credit for eligible business property expenditures of more than \$1 million.

Tier 3 - \$750 tax credit per new job with a requirement to create at least 15 jobs, and a 3.5 percent tax credit for eligible business property expenditures of more than \$2 million.

For more information about the tier designation system, visit

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