

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE BILL 1078**

Short Title: Amend Unemployment Tax. (Public)

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Sponsors: Senators Berger of Rockingham and Hoyle.

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Referred to: Finance.

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March 24, 2005

1                                   A BILL TO BE ENTITLED  
2 AN ACT TO EXCLUDE SERVICES PROVIDED BY CERTAIN CORPORATE  
3 OFFICERS FROM THE DEFINITION OF EMPLOYMENT FOR THE  
4 PURPOSES OF UNEMPLOYMENT INSURANCE.

5 The General Assembly of North Carolina enacts:

6           **SECTION 1.** G.S. 96-8(6)k. is amended by adding a new  
7 sub-sub-subdivision to read:

8                   "k. The term 'employment' does not include:

9                                   ...

10                   21. Service performed by a corporate officer, if the officer  
11                   directly owns twenty-five percent (25%) or more of the  
12                   employer corporation, or service performed by a member  
13                   of a limited liability company, if the member directly  
14                   owns twenty-five percent (25%) or more of the employer  
15                   limited liability company."

16           **SECTION 2.** This act becomes effective January 1, 2006.