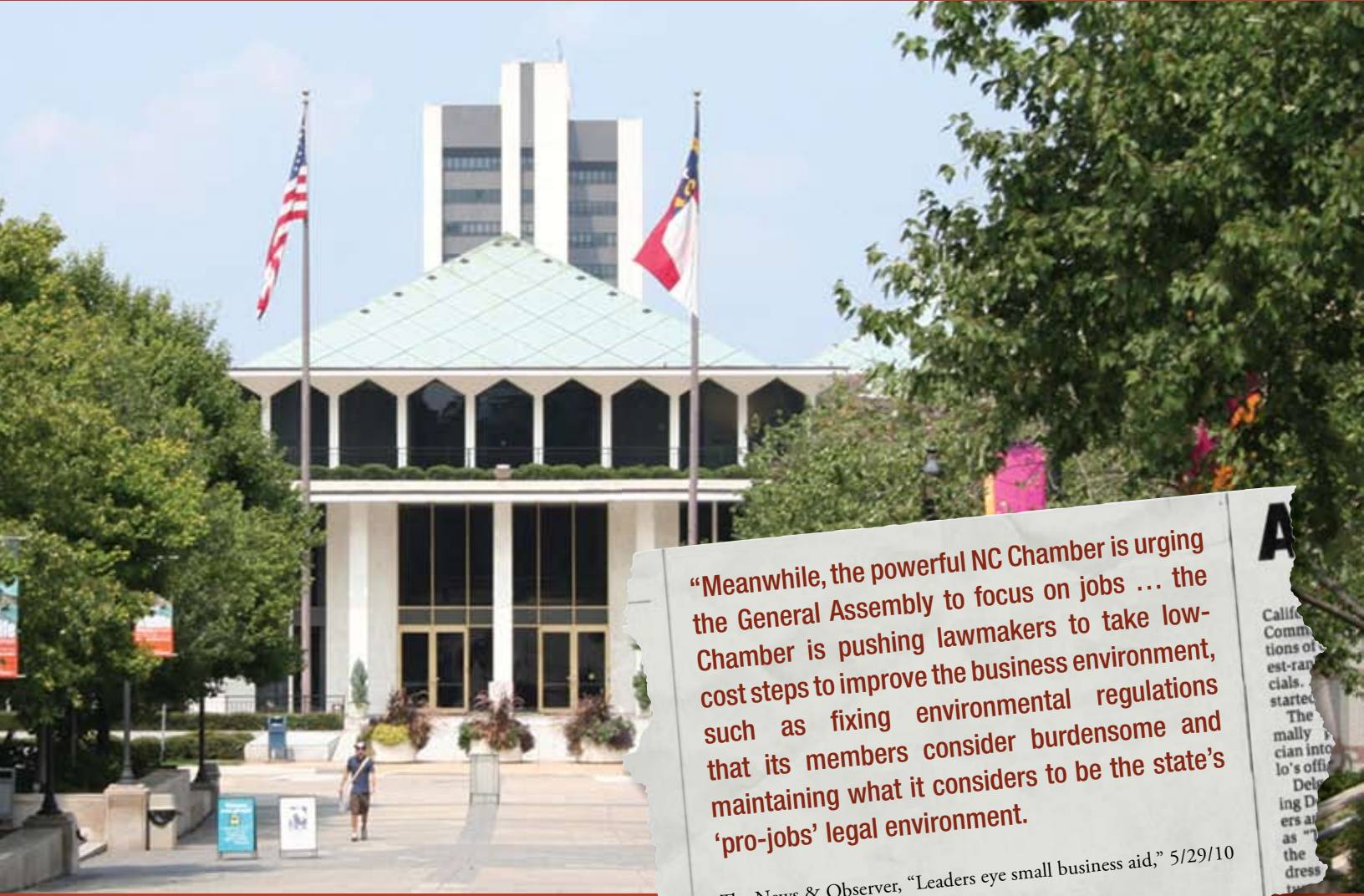




North Carolina Chamber
A force for business.

www.ncchamber.net

★ When we *all* THINK Jobs!, NC WINS!



“Meanwhile, the powerful NC Chamber is urging the General Assembly to focus on jobs ... the Chamber is pushing lawmakers to take low-cost steps to improve the business environment, such as fixing environmental regulations that its members consider burdensome and maintaining what it considers to be the state’s ‘pro-jobs’ legal environment.

The News & Observer, “Leaders eye small business aid,” 5/29/10

NC WINS

2009-2010 Legislative Victories for Business, Jobs & the Economy

GET INVOLVED, SHAPE THE FUTURE!

Get involved in the NC legislative and political processes with the NC Chamber to help shape North Carolina's future – to keep, attract and grow good jobs and a strong economy!

Elected leaders and legislators make decisions every day that affect your business and your future. Numerous groups are involved in the legislative and political processes to try to influence the outcomes of legislative decisions and who gets to make them. *Don't be left out – the future is at stake!*

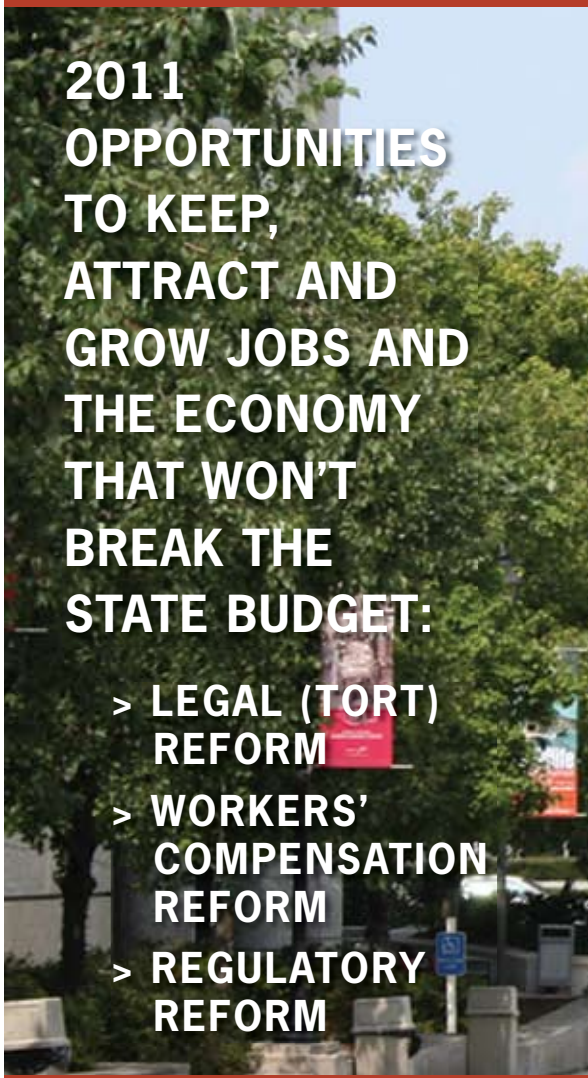
To become an NC Chamber Cornerstone Member, contact Jim Simpson at jsimpson@ncchamber.net or (919) 836-1407.

To get information on state or federal policy issues or inquire about joining a Chamber Policy Committee or Issue Community, contact John McAlister at jmcalister@ncchamber.net or (919) 836-1403.

To learn about the NC Chamber's Political Education Program, contact Joe Stewart at jstewart@ncchamber.net or (919) 836-1413.

To make a contribution to the NC Chamber PAC (Political Action Committee), contact John McAlister at jmcalister@ncchamber.net or (919) 836-1403.

To contribute to the NC Chamber's 2011 Jobs Agenda share your ideas and opinions at www.ncjobscampaign.net.



2011 OPPORTUNITIES TO KEEP, ATTRACT AND GROW JOBS AND THE ECONOMY THAT WON'T BREAK THE STATE BUDGET:

- > LEGAL (TORT) REFORM
- > WORKERS' COMPENSATION REFORM
- > REGULATORY REFORM

PILLARS OF A STRONG ECONOMY

Strong education and workforce development systems that are effective, agile, accountable and continually produce a competitive, world-class workforce.

A globally competitive business climate that positions North Carolina to attract, grow and retain good jobs that we want for our residents.

Effective economic development strategies and tools, including sufficient physical infrastructure to meet future needs.

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NOTABLE NUMBERS SIZABLE CHALLENGES

10%

NC Unemployment,
June 2010 — higher than
the national average

46

number of states with 2010
budget shortfalls, including NC.
(Center on Budget & Policy Priorities)

\$3.2 BILLION

projected state budget
deficit for 2011. (Stateline.org)

15.7%

percent of state budget that
the 2011 projected **budget
shortfall** represents.

(Center on Budget & Policy Priorities)

\$5.5 MILLION

the amount of money spent by
unions and plaintiffs' lawyers in NC
during the 2008 election cycle to
influence elections outcomes.

THINK JOBS AND NC WINS!

At the start of the legislative session, the NC Chamber told elected leaders and lawmakers that the focus of our advocacy efforts would be **JOBS** and the **ECONOMY**.

We told them that we would **press opportunities to lower the cost of doing business** for NC employers and eliminate uncertainty that stands in the way of economic recovery and growth.

We said that we would **aggressively fight proposals that would raise the cost of doing business** for NC employers or damage our pro-jobs business climate.

We told them that we would **support strategic investments in transportation, education and economic development** to position NC to lead in job creation and quality of life.

AND THAT'S EXACTLY WHAT WE DID...

- We took on an organized, entrenched association of plaintiffs' lawyers that was pushing changes to NC's civil liability (lawsuit) laws that would have led to more lawsuits and tilted the system in favor of those who sue. **We stopped the legislation.**
- We took on anti-growth groups that wanted to see costly, time-consuming regulations expanded. In the wake of a court decision that threatened private economic development projects and jobs across NC, we fought hard to clarify that the SEPA does not apply to private projects. **We passed our bill.**
- We made our case to the governor and legislative leaders that the state Dept. of Revenue was unlawfully and unfairly levying penalties on NC employers and stressed that the practice needed to stop. **They agreed.**

When an organized business community with a strong state Chamber engages with elected leaders and lawmakers to keep and create jobs and grow the economy, **NC WINS!**

TAXES



NO JOBS!

Stopped Unfair Tax Penalties

With members and pro-jobs allies, made clear that the state Department of Revenue could not levy hefty penalties against NC employers that filed combined tax returns within the 60 days required as directed by DOR. **The result:** Fairness and due process in the administration of NC's tax code for major private-sector job providers.



PRO-JOBS!

Tax Credits for Existing Businesses (H1973)

Successfully pushed the extension of Article 3 J tax credits for existing businesses, saving them approximately \$71 million over five years.



PRO-JOBS!

Targeted Incentives to Attract Jobs & Investment

Supported targeted economic development incentives to attract jobs and investment to North Carolina.



PRO-JOBS!

UI Tax Credit for Small Businesses

\$34 million in tax relief in the state budget for businesses that qualify through a 25% refundable tax credit against unemployment insurance contributions. (The provision applies to about 125,000 businesses that gross less than \$1 million.)



PRO-JOBS!

Modernized Tax Rules to Attract Investment & Jobs (S308)

Supported the creation of a new legal entity, the Low Profit Limited Liability Company (L3C), designed to attract private foundation money for the revitalization of endangered enterprises, specifically manufacturers, to facilitate job creation in high unemployment areas across the state.



PRO-JOBS!

Promoted Pro-Growth Tax Principles

In tax reform discussions, promoted pro-growth tax principles and discouraged taxes on investment and business-to-business services.



NO JOBS!

Prevented New Tax Rule that Would Make NC Less Competitive

Led the effort to block mandatory combined reporting, which would have forced major NC employers to file combined income tax returns and subjected income not attributable to NC to state income tax. **The result:** Kept legislation from passing that would have made NC less competitive against other states for jobs and investment.



NO JOBS!

Blocked Costly Tax Throwback Rule Out of Line with Other States

Opposed a costly proposal known as the "throwback rule," which would require an employer, when calculating its state taxes, to include income earned in another state if the other state chooses not to tax the income. Few states have such a requirement.

LEGAL CLIMATE



NO JOBS!

Blocked Unbalanced Overhaul of 'Lawsuit Laws' (H813)

With the involvement of members and pro-jobs allies, stopped a bad bill that would have eliminated the state's longstanding contributory negligence doctrine without taking the additional steps necessary to preserve our balanced civil liability system and pro-jobs legal climate.

REGULATIONS



PRO-JOBS!

Ensured Appropriate Application of Costly Regulations (S778)

Led the effort to make it clear legislatively that private economic development projects do not require costly, redundant environmental review solely because they received state and local government incentive funds. **The result:** Prevented unnecessary delays of private economic development projects and jobs of up to two years!



PRO-JOBS!

Fixed Broken Regulations to Protect & Attract Jobs (House Bill 1973)

Clarified that minor environmental violations do not disqualify businesses that would otherwise be eligible for tax incentives for job creation.

TRANSPORTATION



PRO-JOBS!

Congestion Relief & Intermodal Transportation (H148)

Supported legislation to give voters in communities across NC the opportunity to approve funding options to reduce congestion on our roads, improve the environment and lure more jobs and investment.



PRO-JOBS!

NC Mobility Fund

Supported the creation of the NC Mobility Fund to provide resources to relieve traffic congestion, improve logistic capabilities and create jobs. **The result:** \$58 million was included in the state budget to establish the NC Mobility Fund.

EDUCATION



PRO-JOBS!

Emphasis on STEM (S1198)

Supported legislation that directed the state's Education Cabinet to set STEM-focused learning as a priority (Science, Technology, Engineering and Math).



PRO-JOBS!

Promoted NC JOBS Commission

Continued to support the NC JOBS Commission to forge a stronger link between high school curricula and local economies to attract and create good jobs for North Carolinians.

UNIONS & EMPLOYER MANDATES



NO JOBS!

Prevented Costly Sick Leave Mandate

With a broad coalition of pro-jobs allies, battled a coordinated effort by unions to exploit pandemic flu fears and insecurities about record-high unemployment to impose costly employer mandates. **The result:** Defeated bills that would have mandated that NC employers provide up to seven days of paid sick leave for all employees.



NO JOBS!

Blocked Expansion of Unions into Government

Worked with local governments and business allies to prevent union-pushed bills from passing that would have repealed NC's longstanding prohibition on collective bargaining for state & local government employees. **The result:** Prevented unions from expanding in the public sector, driving up the cost of government and making it less efficient.

MORE NC WINS, FOR JOBS & THE ECONOMY:

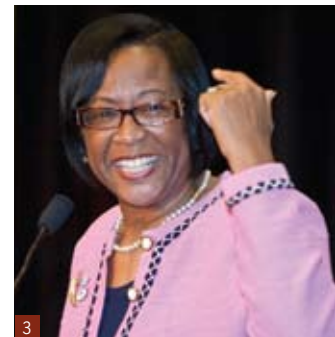
- > **Opposed and prevented** potential new and costly energy and environmental regulations spurred by the NC Global Climate Change Commission (H1803, H1806, H1808, H1809).
- > **Opposed and defeated** a host of bad bills that would have raised workers' compensation costs and insurance rates in NC (H805, H843, S639).
- > **Worked to improve** a water policy proposal (river basin modeling) to prevent unintended or unnecessary costly new regulations down the road (H1743).

“Fairness and predictability in the administration of the tax code is extremely important to business. The NC Chamber’s leadership has been key to getting several important changes through the NC General Assembly. They are a valuable partner for COST as we work on tax policy in North Carolina.”

— Joe Crosby, COO & Sr. Policy Director, Council on State Taxation

“The NC General Assembly took some very important steps during the most recent session to help economic development and job creation in North Carolina. The NC Chamber’s leadership and work was instrumental in passing this legislation.”

— Katherine Thomas, Director of Community Relations and Economic Development, Progress Energy & Past President of NC Economic Developers Association



AN ORGANIZED BUSINESS COMMUNITY IS AN **UNSTOPPABLE** FORCE!

[1] Chamber President Lew Ebert introduces Sen. Dan Clodfelter and Reps. Thom Tillis and Hugh Holliman. [2] Chamber head lobbyist John McAlister with NC Dept. of Revenue Sec. Ken Lay. [3] Chamber Chairwoman Cynthia Marshall urges members to join the THINK Jobs! Campaign at the Chamber’s Annual Meeting. [4] Chamber head lobbyist John McAlister moderates a discussion about House Bill 813, a bill that would overhaul NC’s civil liability system. [5] Gov. Bev Perdue talks with Lt. Gov. Walter Dalton at the Chamber’s Annual Meeting.