

SECTION 34.3A.(i) Outreach. – The Department of Administration, Office for Historically Underutilized Businesses, is directed to inform and educate minority-owned businesses that may be eligible to apply for the grants provided by the Program as soon as practicable so they may have the opportunity to access the grants provided by it. The Department of Revenue is not required to advertise or provide any specific outreach on the Program except for posting relevant Program information on its website.

SECTION 34.3A.(j) Allocation of Funds for the Business Recovery Grant Program. – Of the funds appropriated in this act from the State Fiscal Recovery Fund to the Department of Revenue, the sum of five hundred million dollars (\$500,000,000) in nonrecurring funds for the 2021-2022 fiscal year is allocated for the Business Recovery Grant Program to be used as provided in this section. The Department of Revenue may use up to two million five hundred thousand dollars (\$2,500,000) of the funds allocated in this subsection for the administration of this section. The Department shall use five million dollars (\$5,000,000) of the funds reserved in this subsection for hospitality grants as a grant to the North Carolina Restaurant and Lodging Association to be used for hospitality industry workforce recruitment designed to support the rebuilding of the State's hospitality industry. The Department shall remit any funds remaining after disposition of all timely filed applications under this section to the Office of State Budget and Management which shall deposit the funds into the State Fiscal Recovery Reserve. Amounts deposited into the Reserve under this section are receipts that do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 34.3A.(k) This section is effective when it becomes law.

SECTION 34.3B.(a) G.S. 105-130.5(b) reads as rewritten:

"(b) The following deductions from federal taxable income shall be made in determining State net income:

...

(31a) To the extent included in federal taxable income, the amount received by a taxpayer under the Business Recovery Grant Program."

SECTION 34.3B.(b) G.S. 105-153.5(b) reads as rewritten:

"(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may deduct from the taxpayer's adjusted gross income any of the following items that are included in the taxpayer's adjusted gross income:

...

(14a) The amount received by a taxpayer under the Business Recovery Grant Program."

SECTION 34.3B.(c) This section is effective for taxable years beginning on or after January 1, 2021, and applies to amounts received by a taxpayer on or after that date.

DEPARTMENT OF REVENUE SYSTEMS PROJECTS UPDATE REPORT

SECTION 34.4. Section 8.1 of S.L. 2019-246 reads as rewritten:

"**SECTION 8.1.(a)** The Department of Revenue shall update its electronic tax systems to store and recognize power of attorney registrations to ensure that notices generated by the Department are simultaneously sent to both the taxpayer and the person designated in the taxpayer's power of attorney registration. By January 31, 2020, the Department shall report to the Joint Legislative Oversight Committee on General Government on its progress in updating its electronic tax systems to store and recognize power of attorney registrations.

"**SECTION 8.1.(b)** By January 1, 2022, and monthly thereafter, the Department of Revenue shall submit a written report on the status of the power of attorney registration project required by subsection (a) of this section to the chairs of the House Appropriations Committee on General Government and the Senate Appropriations Committee on General Government and Information Technology and the Fiscal Research Division. The monthly report shall also include an update