

Brooks Pierce Capital Dispatch: Updates from the NC General Assembly and Governor's Office, May 7, 2021

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This week, legislators considered dozens of bills as they worked to pass versions in one chamber prior to the crossover deadline.

Crossover deadline

With the May 13 crossover deadline approaching (the date by which a bill that does not impact taxes or spending must pass one chamber), legislators worked long hours this week, both in committee and in floor sessions. In addition, dozens of new House bills were introduced given bill introduction deadlines.

Budget process

The Senate is crafting the budget bill first this year and according to numerous sources, is well into this process. Press reports indicate that the two houses have not yet agreed on spending targets, which is usually a step in the budget process. In addition, Gov. Roy Cooper is expected to soon make recommendations on how to spend federal American Rescue Plan Act (ARPA) funds. When past federal COVID-19 funds came to the state, legislators passed bills allocating these funds and they may do the same with the ARPA funds.

PPP Loan Expense bill still pending

A bill (H 334) clarifying that expenses related to federal Paycheck Protection Program (PPP) loans are not subject to state income tax for tax year 2020 remains in the Senate Rules Committee. Senate President Pro Tempore Phil Berger (R-Rockingham) was quoted in a press report indicating that the Senate will soon decide whether to consider the bill. The bill would temporarily repeal a provision in current law that does not allow businesses to deduct expenses funded with PPP dollars if the proceeds received from forgiven PPP loans are excluded from income for tax purposes.

Cabinet confirmations

The Senate this week confirmed Mabelle Sanders as Secretary of Commerce. Two other nominees –Dionne Delli-Gatti for Secretary of Environmental Quality and Jim Weaver for Information Technology—have had first committee hearings. Second committee hearings on these nominations are expected in the coming weeks.

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