



**Reshoring
Institute**

NORTH CAROLINA

State Economic Survey and Incentive Comparison

CONTACT INFORMATION

Contact Name:

Contact Phone Number:

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US State Name: North Carolina

State Abbreviation: NC

State Economic Development Web
Address: <http://www.edpnc.com>

State Economic Development Email
Address: clientservices@edpnc.com

State Economic Development Phone
Number: 919-447-7744

Additional Relevant Links for Relocating
Companies:

INCOME AND OUTPUT

Gross Domestic Product, in millions: \$659,616.1

(Source: Bureau of Economic Analysis, Q2 2021, Millions of Current Dollars)

Gross Domestic Product % Growth:

Years	Time Period	Percent Growth
2019-2020	1 Year	-1.0%
2015-2020	5 Years	+15.1%
(2010-2020)	10 Years	+34.7%

(Source: Bureau of Economic Analysis, Current Dollars)

Per Capita GDP in 2019 (*GDP/population): \$56,794

(Source: Bureau of Economic Analysis Real GDP, Current Dollars; calculated using American Community Survey total population data)

Per Capita Personal Income (total personal income/total midyear population) This is often used as a standard of living measurement:

Years	Per Capita Personal Income
2020	\$50,305
2019	\$47,660
2018	\$45,758

(Source: Bureau of Economic Analysis, Current Dollars; calculated by BEA as: total personal income divided by total midyear population)

population)

Per Capita Personal Income % Change:

Years	Percent Growth
2019-2020	+5.5%
2018-2019	+4.2%
2017-2018	+3.8%

(Source: Bureau of Economic Analysis, Current Dollars)

WORKFORCE

Total Population: 10,488,084

(Source: American Community Survey, 2019 Estimate)

Total Civilian Labor Force: 5,057,733

(Source: Local Area Unemployment Statistics, 12/2021)

Total Number of Persons Employed: 4,869,342

(Source: Local Area Unemployment Statistics, 12/2021)

Total Number of Persons Unemployed: 188,391

(Source: Local Area Unemployment Statistics, 12/2021)

Unemployment Rate %: 3.70%

(Source: Local Area Unemployment Statistics, 12/2021)

Manufacturing Employment: 460,442

(Source: Quarterly Census of Employment and Wages, Q2 2021)

Professional and Business Services Employment:

Industry Sector	Total Employment
Professional and Technical Services	287,579
Management of Companies and Enterprises	76,846
Administrative and Waste Services	306,324
Grand Total	670,749

(Source: Quarterly Census of Employment and Wages, Q2 2021)

State Right-to-Work Law Y/N: Yes

(Source: North Carolina General Statutes § 95-78)

Large Factory Openings during Previous year:

2021 Announcements of Manufacturing and Distribution Projects
 ≥ 200 Jobs Created and/or ≥ \$100 Million Investment

Company	County	Type	Investment	Jobs Created
Fujifilm Diosynth Biotech	Wake	Manufacturing	\$2,000,000,000	725
Science 37	Wake	Corporate Headquarters	\$1,444,000,000	250
Toyota	Randolph	Manufacturing	\$1,290,000,000	1750
Ball Corp., Red Bull, and Rauch	Cabarrus	Manufacturing	\$1,131,847,400	633
Amgen	Wake	Manufacturing	\$553,500,000	355
Apple Inc.	Wake	Headquarters-Business	\$552,000,000	3000
Apple Inc.	Catawba	Data Center	\$448,000,000	-
Amazon	Alamance	Distribution Warehouse	\$250,000,000	250
Abzena Holdings, LLC	Lee	Manufacturing	\$213,000,000	325
Roseburg Forest Products	Halifax	Manufacturing	\$200,000,000	137
Biogen Inc.	Durham	Manufacturing	\$200,000,000	90
Ardagh Beverage	Forsyth	Distribution	\$195,000,000	94
Thermo Fisher Scientific	Orange	Manufacturing	\$192,500,000	200
CARsgen Therapeutics	Durham	Manufacturing	\$157,000,000	200
Newell Brands	Gaston	Distribution Warehouse	\$135,000,000	128
Jaguar Gene Therapy	Durham	Manufacturing	\$125,400,000	200
Procter and Gamble Corp.	Guilford	Manufacturing	\$109,550,000	46
Amazon	Johnston	Distribution	\$100,000,000	500
Adverum Biotechnologies, Inc	Durham	Manufacturing	\$82,800,000	200
Glen Raven Custom Fabrics, LLC	Warren	Manufacturing	\$82,000,000	205
Doosan Portable Power	Iredell	Corporate Headquarters	\$71,935,453	250
Polywood	Person	Manufacturing	\$61,600,000	300
Arrival	Mecklenberg	Manufacturing	\$41,200,000	250
Amazon Logistics	Wake	Distribution	\$32,000,000	500
The Kroger Co.	Cabarrus	Distribution	\$29,000,000	700
White River Marine Group	Craven	Manufacturing	\$24,300,000	500
MyComputerCareer	Wake	Corporate Headquarters	\$24,000,000	200
Smart Wires	Durham	Headquarters-Corporate	\$21,500,000	250
Masterbrand Cabinets	Lenoir	Manufacturing	\$13,750,000	540
Credit Karma	Mecklenberg	Corporate Headquarters	\$13,250,000	600
Champion Home Builders	Robeson	Manufacturing	\$13,242,250	385
Robinhood	Mecklenberg	Office	\$11,780,000	389
Amazon	Cumberland	Distribution	\$10,000,000	200
Jeld-Wen, Inc.	Iredell	Manufacturing	\$7,875,000	235
Gilead Sciences, Inc.	Wake	Office	\$5,000,000	275
Carolina Coops, LLC	Granville	Manufacturing	\$4,709,400	501
PennyMac Financial Svcs., Inc.	Wake	Office	\$4,300,000	322
North State Aviation	Forsyth	Headquarters-Corporate	\$2,500,000	200
flyExclusive	Lenoir	Corporate Headquarters	\$2,000,000	800
Varo Money, Inc.	Mecklenberg	Business and Financial Svcs.	\$1,619,562	350
Victra	Pitt	Call Center	\$1,450,000	592
Total:			\$9,858,609,065.00	10914

(Source: NC Community Investment Report)

Large Factory Closures during Previous year:

2021 Permanent Closures or Permanent Layoffs in Manufacturing or Distribution Businesses
≥ 200 Employees Affected

Company	County	Type	Employees Affected
QVC Rocky Mount	Nash	Distribution	1953
ABB Inc.	Cleveland	Technical Services	265

(Source: 2021 WARN Report, NC Department of Commerce)

EDUCATION

% High School Diploma or More: 88.6%

(Source: American Community Survey, 2019 Estimate, Educational Attainment for Population 25 Years and Over)

% Bachelor's Degree or Higher: 32.3%

(Source: American Community Survey, 2019 Estimate, Educational Attainment for Population 25 Years and Over)

Enrollment in Higher Education Institutions: 564,493

(Source: National Center for Education Statistics, 2020 Total Students for North Carolina Institutions) [Summary Tables \(ed.gov\)](#)

Science and Engineering Graduate Students: 12,990

(Source: National Science Foundation, Science and Engineering State Profiles, 2019 data)

List of High school, College, or University Manufacturing Partnership Programs *These are partnerships with manufacturers to help train future employees in certain skills:*

- NCWorks Community Colleges Customized Training Program (<http://www.nccommunitycolleges.edu/ncworks-customized-training>)
- NC State University Industry Expansion Solutions (<https://www.ies.ncsu.edu/>)
- UNC Charlotte Center for Lean Logistics and Engineered Systems (<http://clles.uncc.edu/>)
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- UNC Charlotte Center for Lean Logistics and Engineered Systems (<http://clles.uncc.edu/>)

List of Additional Manufacturing Training Programs: NC Manufacturing Extension Partnership

(<https://www.ncmep.org/>)

List of Future Planned Manufacturing Training Programs *If known please include expected implementation date:* None.

COST OF DOING BUSINESS

State Corporate Income Tax %: 2.5%, the lowest corporate income tax rate in the southeast. ([Business Climate - Economic Development Partnership of North Carolina \(edpnc.com\)](#))

State Individual Income Tax %: 5.25%

State Level Sales Tax %: 4.75%

North Carolina has a state sales and use tax of 4.75%, local governments may impose additional sales taxes which range from 2.00% to 2.75%, depending on the county. North Carolina offers a number of sales tax exemptions for manufacturing machinery, manufacturing equipment, and raw materials used for manufacturing.

State Use Tax: See above.

Unemployment Insurance Tax % (estimate): Varies but ranges from a low of 0.060% to a maximum of 5.76%. New employers pay 1.0% for the first two years. The taxable wage base is \$26,000.

Additional Relevant Taxes:

North Carolina has a franchise tax of \$1.50 per \$1,000 of the largest of three bases: (1) net worth apportioned to North Carolina, (2) 55% of appraised value of property in the state subject to local taxation, or (3) book value of real and tangible personal property in the state less accumulated depreciation for tax rates. For an S Corporation, the tax rate is \$200 for the first \$1 million dollars of the corporation's tax base and \$1.50 per \$1,000 of the tax base that exceeds \$1 million.

The state has a privilege tax of 1% on manufacturing machinery and equipment, which is 1% with a max of \$80 per article.

Workers' Compensation Employer Insurance Costs per \$100 of Payroll: \$0.49

(Source: Insurance Journal-National Academy of Social Insurance, 2019 data)

Average Industrial Electric Rate: 6.31 cents per kilowatt hour

(Source: US Energy Information Administration, 2020 Average Monthly Industrial Bill)

Average Price of Natural Gas Delivered to Industrial Consumers: \$5.24 per thousand cubic feet

(Source: US Energy Information Administration, 2020 Data Series)

Average Hourly Earnings of Production Workers in Manufacturing: \$16.35

(Source: Bureau of Labor Statistics, May 2020 Dataset, Not Seasonally Adjusted)

Minimum Wage (current): North Carolina adheres to the federal minimum wage, which is \$7.25

(Source: National Conference of State Legislatures). There is no higher state minimum wage.

Pending Legislation Regarding Minimum Wage: No.

If you answered YES to the above question, What is the proposed minimum wage?:

If you answered YES to the above question, What is the legislative bill number?:

ENTREPRENEURSHIP AND INNOVATION

2020 Total Small Business Innovation Research (SBIR) Awards Found at:

https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105791: 169

2020 Total Small Business Technology Transfer (STTR) Awards Found at:

https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105792: 41

Venture Capital Deals, in millions:

In 2020, North Carolina companies received approximately \$4.1 billion in venture capital funds (Source: Crunchbase).

% of State with Internet Accessibility:

About 94.4% of households in North Carolina report having access to high-speed internet. (Source: NC Broadband Infrastructure Office, eSolutions Benchmarking Report Survey) (source: broadbandnow 2021)

Newly Registered Businesses:

In terms of total new firms, the number of establishments located in North Carolina has grown from 223,209 in 2015 to 238,015 in 2019. About 14,996 new establishments have been created in the last 5 years. (Source: US Census County Business Patterns)

Newly Registered Patents:

Year	New Patents Registered
2020	3,917
2019	4,287
2018	3,781
2017	3,951
2016	3,814

(Source: US Patent and Trademark office, Patents Count by State)

FOREIGN DIRECT INVESTMENT

Foreign Direct Announcements: See below.

Foreign Direct Employment: See below.

Foreign Direct Investment, in millions: See below.

North Carolina Foreign Direct Investment Summary

(Source: FDIMarkets)

Year	Announcements	Investment (in Billions)	Jobs Created
2021	247	\$16.21	33,250
2020	180	\$4.30	13,742
2019	227	\$7.83	24,696
2018	210	\$6.51	21,071
2017	198	\$5.83	20,003

TRANSPORTATION AND INFRASTRUCTURE

- Number of major 2 or 4-Lane Highways running through state: North Carolina boasts approximately 80,161.2 miles of state-maintained freeways, U.S., and state routes with 3 major controlled-access arteries: I-95, I-40, and I-85. (NCDOT 2021-2022 State Transportation Map, [Infrastructure - Economic Development Partnership of North Carolina \(edpnc.com\)](#))
- Number of major railways going through state: There are two class 1 railroads (CSX and Norfolk Southern) and 19 regional railroads which span a total of 3,200 track miles. ([Infrastructure - Economic Development Partnership of North Carolina \(edpnc.com\)](#))
- Number of major ports connected to state: Two deep-water seaports in Wilmington and Morehead City.
- Number of passenger service airports throughout state: 10 ([NCDOT: North Carolina Airports](#))
- Number of International airports throughout state: 4 ([Infrastructure - Economic Development Partnership of North Carolina \(edpnc.com\)](#))
- Number of distribution centers: As of 2019, there are 483 establishments related to warehousing and storage in North Carolina. (Source: *US Census County Business Patterns*)
- Number of foreign trade zones: 6 (#57, #93, #214, #230, #20) (<https://edpnc.com/incentives/foreign-trade-zones>)

INCENTIVES

Pending Legislation

Proposed Incentives Currently Pending Approval (Y/N): No

If you answered YES above, please describe the pending incentives including the bill number if applicable:

Cash Incentives

Does the state provide any CASH incentives? (Y/N): Yes

If you answered YES above, please provide details of this incentive including the contact information and website if applicable:

Job Development Investment Grant Program

The Job Development Investment Grant (JDIG) is a performance-based, discretionary incentive program that provides cash grants directly to new and expanding companies to help offset the cost of locating or expanding a facility in the state. The amount of the grant is based on a percentage of the personal income tax withholdings associated with the new jobs. The amount of a JDIG award is calculated by weighing a number of factors to determine its potential value, including the location of the project, the county tier designation, the number of net new jobs, the wages of the jobs compared to the county average wage, the level of investment and whether the industry is one of the state's targeted industry sectors. Grant funds are disbursed annually, for up to 12 years, to approved companies following the satisfaction of performance criteria set out in grant agreements. For more information about this program, please see the [Economic Development Partnership of North Carolina website](#).

One North Carolina Fund Program

The One North Carolina Fund (OneNC) is a discretionary cash-grant program that allows the Governor to respond quickly to competitive job-creation projects. The North Carolina Department of Commerce administers OneNC on behalf of the Governor. Awards are based on the number of jobs created, level of investment, location of the project, economic impact of the project and the importance of the project to the state and region. The OneNC program utilizes [North Carolina's economic development tier system](#) in its operations. This tier system is incorporated into OneNC to encourage economic activity in the less prosperous areas of the state. For more information about this program, please see the [Economic Development Partnership of North Carolina website](#).

State Tax Credits

Does the state provide any Tax Credit incentives? (Y/N): No

If you answered YES above, please describe the available tax credits:

State Tax Exemptions

Does the state provide any Tax Exemptions? (Y/N): Yes

If you answered YES above, please describe the available tax exemptions:

For a full list of items that are exempt from state sales and use tax, please see [North Carolina General Statute 105-164.13](#). Items that may be of specific interest to manufacturing industry are highlighted below:

Machinery and Equipment, Sales and Use Tax Exemption

Mill (generally manufacturing) machinery, including parts or accessories as well as specialized equipment for loading or processing, is exempt from sales and use tax, but is subject to a 1% privilege tax, capped at a maximum of \$80 per article. For a list of items that are classified as mill machinery, please see [section 58 of the North Carolina Department of Revenue's Sales and Use Tax Technical Bulletin](#).

Electricity, Fuel and Natural Gas, Sales and Use Tax Exemption

Retail sales, as well as the use, storage or consumption of electricity, fuel and piped natural gas sold to a manufacturer are exempt from sales and use tax for use in a manufacturing operation. This exemption does not apply to electricity used at a facility at which the primary activity is not manufacturing. For purposes of the exemption, a "facility" is (1) a single building or (2) a group of buildings that are located on a single parcel of land or on contiguous parcels of land under common ownership. "Facility" also refers to any other related real property contained on the parcel(s) where manufacturing activity occurs.

Raw Materials, Sales and Use Tax Exemption

Purchases of ingredients or component parts of a manufactured product that become an ingredient or component part of tangible personal property are exempt from sales and use tax. In addition, packaging items that constitute a part of the sale (retail or wholesale) and are delivered with the product to the customer are exempt from sales and use tax.

Inventory, Property Tax Exclusion

North Carolina does not levy a property tax on inventories. Inventories owned by contractors, manufacturers and merchants (retail and wholesale) are excluded from property tax. Inventories are defined as goods held for sale in the regular course of business by manufacturers, retail and wholesale merchants and construction contractors. For manufacturers, the term inventory includes raw materials, goods in process and finished goods, as well as other materials or supplies that are consumed in manufacturing or processing. Inventory also refers to any commodity or part thereof that accompanies and becomes part of the property being sold.

State Grants

Does the state provide any Grant incentives? (Y/N): Yes

If you answered YES above, please describe the available grants:

North Carolina offers a variety of grand programs to assist infrastructure development related to economic development. Companies do not apply for these grants directly, but can work with North Carolina local governments to secure funding through the following programs.

Community Economic Development Block Grant for Economic Development Program

The Community Development Block Grant, Economic Development Program (CDBG ED) is administered by the North Carolina Department of Commerce; it provides grants to local governments for public infrastructure development. Funds are administered based on an annual federal allocation to North Carolina from the U.S. Department of Housing and Urban Development (HUD) and are made available to most local governments for economic development projects. For more information, please see the [Economic Development Partnership of North Carolina website](#).

Community Economic Development Block Grant for Building Reuse Program

The Community Development Block Grant, Building Reuse Program (CDBG Building Reuse) is administered by the North Carolina Department of Commerce; it provides funds to renovate and upfit vacant industrial and commercial buildings for economic development purposes. The company's new or expanding operations must result in the creation of permanent, full-time jobs. For more information, please see the [Economic Development Partnership of North Carolina website](#).

Department of Commerce Building Reuse Program

The Building Reuse Program is administered by the Rural Division of the North Carolina Department of Commerce; it provides grants to local governments for two purposes: the renovation of vacant buildings and the renovation or expansion of a building occupied by an existing North Carolina company wishing to expand in its current location. Grants are available to support both vacant and occupied buildings. For more information, please see the [Economic Development Partnership of North Carolina website](#).

Rural Building Demolition Program

The Rural Building Demolition Program is administered by the Rural Division of the North Carolina Department of Commerce; it provides grants to local governments to support the demolition of vacant buildings to encourage site rehabilitation and site availability for economic development purposes. For more information, please see the [Economic Development Partnership of North Carolina website](#).

Department of Commerce and Transportation Joint Economic Development Program

The North Carolina Department of Transportation (NCDOT) works closely with the North Carolina Department of Commerce to provide transportation improvements and infrastructure that will expedite industrial/commercial growth and provide new jobs or retain existing ones. Projects must be approved by both the Secretary of Transportation and the Secretary of Commerce. Funds may be awarded up to \$2,500 per new job, with a \$400,000 limit per project. For more information, please see the [Economic Development Partnership of North Carolina website](#).

Economic Infrastructure Program

The Economic Infrastructure Program is administered by the Rural Division of the North Carolina Department of Commerce; it provides grants to local governments to assist with public infrastructure projects that will lead to the creation of new, full-time jobs. For more information, please see the [Economic Development Partnership of North Carolina website](#).

North Carolina Utility Account Program

North Carolina's Utility Account provides infrastructure grants to local governments in certain economic distressed counties. The North Carolina Department of Commerce administers the Utility Account. All applications are reviewed and approved by the Secretary of Commerce. Grant amounts depend on funding availability and each project's relative merits. Grants are awarded to local governments for infrastructure improvements that are publicly owned and maintained. The applicant must demonstrate that the project is expected to lead to job creation in the near future. For more information, please see the [Economic Development Partnership of North Carolina website](#).

Department of Transportation Rail Industrial Access Program

The North Carolina Department of Transportation's (NCDOT) Rail Industrial Access Program uses state funds to help construct or refurbish railroad spur tracks required by a new or expanding company. Program funding is intended to modernize railroad tracks to ensure effective and efficient freight deliveries. Project funding is contingent upon a company's receiving application approval prior to making a decision to locate or expand its facility in North Carolina. In addition, an award can be made only after confirmation of the availability of matching funds from private and/or local sources. Local governments, community development agencies, railroads and companies themselves are eligible for funds to improve rail access. For more information, please see the [Economic Development Partnership of North Carolina website](#).

NCRRC Invests

The North Carolina Railroad Company will evaluate requests for investments in the engineering, design, construction or other costs associated with the rail infrastructure needs of a company's potential location or expansion. Eligible rail-related needs include, but are not limited to rights-of-way, design/engineering, site grading & drainage for tracks, lead, siding & other railroad track construction, railroad signals, and rail loading facilities. For more information, please see the [Economic Development Partnership of North Carolina website](#).

Golden Leaf Foundation's Economic Catalyst Program

Golden LEAF will consider applications to assist eligible state, regional and local economic development entities with grants to support permissible activities in projects in which a company will commit to create a specific number of full time jobs in a tobacco-dependent or economically distressed area. For more information, please see the [Economic Development Partnership of North Carolina website](#).

State Loans

Does the state provide any Low-Interest Financing incentives? (Y/N): No

If you answered YES above, please describe the available financing opportunities:

Training Programs

Does the state provide any Specialized Training Program incentives? (Y/N): Yes

If you answered YES above, please describe the available training programs:

NCWorks Customized Training Program

Among the most significant questions a company new to North Carolina or expanding in the state must address is how to attract and retain a qualified workforce. No state has greater long-term experience with successful workforce solutions than North Carolina. Its world-class educational system of colleges and universities ensures a robust pipeline of candidates in fields ranging from finance to nanotechnology. Its award-winning community college system provides state-of-the-art training customized to meet an employer's specific needs. North Carolina's workforce development system—one of the most comprehensive in the nation—brings employer and employees together by managing recruiting, screening and other necessary pre-employment assessments. The NCWorks program can assist companies with (1) recruiting, (2) screening, and (3) customized training. For more information, please see the [Economic Development Partnership of North Carolina website](#).

NCWorks Incumbent Worker Training Grants

In addition to customized training, North Carolina resources support on-the-job training. The Incumbent Worker Training Grant reimburses companies for the cost of training their workers, helping to improve the skills of employees and the company's competitiveness. For more information, please see the [Economic Development Partnership of North Carolina website](#).

North Carolina Community College Customized Training Program

North Carolina pioneered free and customized job training for companies new to the state and those already established here that are experiencing job growth. Sponsored by the state's 58-campus community colleges, the Customized Training Program can support any full-time production, technology support or direct customer service positions created in North Carolina. For more information, please see the [Economic Development Partnership of North Carolina website](#).

Zoning

Does the state provide any Special Zoning incentives? (Y/N): No

If you answered YES above, please describe the available special zoning opportunities:

State Marketing and Promotions

Does the state provide any Marketing and Promotional incentives? (Y/N): No

If you answered YES above, please describe the available special marketing or promotional opportunities:

Innovation Centers

Does the state have Innovation Centers or Additional Resource available for companies? (Y/N): Yes

If you answered YES above, please describe the available innovation centers or additional resources:

- Polymers Centers of Excellence (<http://polymers-center.org/>)
- Manufacturing Solutions Center (<http://www.manufacturingsolutionscenter.org/>)

If you answered YES to the question above, please describe the proposed legislation including the bill number:

AMERICAN MADE LABEL REQUIREMENTS

Federal Trade Commission oversees “Truth in Advertising” regulations including promotion or disclosure of products displaying “Made in USA” labeling. FTC requires products advertised as “Made in USA” be “all or virtually all” made in the U.S. “all or virtually all” means the product should contain no – or negligible – foreign content.

Made In USA Requirements

Does the state have any specific requirements for labeling products "Made in USA"? (Y/N): No

If you answered YES to the question above, what are the requirements for labeling products "Made in USA":

Is there pending legislation regarding these requirements? (Y/N): No

Made In YOUR STATE Requirements

Does your state have any specific requirements for labeling products "Made in YOUR STATE"? (Y/N): No

If you answered YES to the question above, what are the requirements for labeling products "Made in YOUR STATE":

Is there pending legislation regarding these requirements? (Y/N): No

If you answered YES to the question above, please describe the proposed legislation including the bill number:

Is there an organization or entity that monitors state labeling? (Y/N): No

If you answered YES to the question above, please provide the name and contact information for the organization or entity:

Date of Submission: January 31, 2022

Thank you for your time. Please email your responses to alevy@reshoringinstitute.org and your responses will be recorded and available online for review at www.reshoringinstitute.org.