

N.C. releases annual county economic checkup

By Richard Craver

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The N.C. Department of Commerce has released its annual economic checkup of the state's 100 counties, with Davie, Rockingham and Surry counties being downgraded for 2007 and Guilford County being upgraded.

State law requires that the department annually rank counties by their economic health. The act gives corporations more incentive to invest in economically distressed areas of the state by giving them a higher tax credit for each job created than in urban counties.

Changes approved by the General Assembly in July reduced the number of tier designations for 2007 from five to three as part of the new Tax Credit for Growing Businesses program. The program essentially takes the place of the William S. Lee Act.

"The changes have created a more streamline and efficient way to determine eligibility for economic assistance," Deborah Barnes, a spokeswoman for the Commerce department, said today.

The law calls for the 40 most distressed counties to become Tier 1 counties, the middle 40 counties to be designated as Tier 2 and the 20 most prosperous counties to become Tier 3 counties. The criteria used to evaluate a county include population growth, poverty rate, unemployment rate and per-capita income.

Forsyth and Guilford counties are the only Tier 3 counties in the region. Guilford improved from the equivalent of a Tier 2 ranking in 2006.

Rockingham and Surry are listed in the Tier 1 ranking, which makes companies eligible for a \$12,500 tax credit for each new job created in those counties, with a minimum of five required. The companies also are eligible for a 7-percent tax credit for eligible business-property expenditures.

By comparison, a company adding jobs in a Tier 2 county gets a \$5,000 tax credit for each new job, while a company adding jobs in a Tier 3 county is eligible for a \$750 tax credit for each job.

Surry was ranked as the equivalent of a Tier 2 county this year, while Rockingham was considered Tier 1.

Davie was dropped to a Tier 2 ranking after being considered as the equivalent of a Tier 3 in 2006.

Alleghany was the only other county in the region to be ranked as Tier 1. The other Tier 2 counties in the region are Alamance, Ashe, Davidson, Randolph, Stokes, Watauga, Wilkes and Yadkin.

N.C. Department of Commerce Links:

- [2006 County Tier Designations](#)
- [Annual County Profiles](#)