

The agenda for North Carolina's entrepreneurs: 2026 legislative session

North Carolina is home to more than [1 million small businesses](#), employing 1.8 million people and accounting for 99.6% of all businesses in the state.¹ They play a significant role in our state economy and workforce. However, national economic uncertainty coupled with an especially fast-changing business landscape has required small businesses to adapt, yet again. As such, state governments must implement policies that address the new burdens that businesses are now facing. That is why Small Business Majority has created a comprehensive North Carolina policy agenda to ensure small business ownership and entrepreneurship are at the center of a robust, equitable and competitive economy for the state. It is critical that state lawmakers enact both short- and long-term policies to empower entrepreneurs, remove barriers and strengthen the small business ecosystem. To achieve these goals, policymakers should consider the following policy proposals.

Promote a level playing field for North Carolina small businesses

- **Ensure the state is actively enforcing Chapter 75 of the North Carolina General Statutes.** Chapter 75 deals with monopolies, trusts and consumer protections. These protections are critically important to protect small businesses across the state. The Attorney General's office must utilize its power to ensure large companies are not taking advantage of the market, undermine the ability for small businesses to compete.
- **Pass legislation that would mirror the Robinson-Patman Act and allow the Attorney General greater antitrust enforcement.** By allowing the Attorney General to take punitive action on companies that have demonstrated discriminatory practices on small businesses, entrepreneurs can compete fairly and strengthen their bottom lines. This would also help the state close loopholes in Chapter 75 and help it avoid litigation against larger entities attempting to consolidate.
- **Ban non-compete agreements given the FTC reversal of federal policy.** While the state does not view non-competes favorably, they are still enforceable and used by many. Non-compete agreements are a significant impediment to entrepreneurship, creating a non-level playing field and impeding the ability of employees to maximize their skills. While the FTC previously had banned these agreements, the FTC recently reversed itself, now allowing many non-competes to continue. These policies are not only a barrier to entry for entrepreneurs in North Carolina, but they also prevent small firms from hiring the most diverse, qualified and skilled talent.
- **Oppose the elimination of the state corporate income tax.** The state must protect small businesses and ensure the state has the funds necessary to stabilize households and communities in the face of federal cuts to critical programs being proposed. Elimination of the state corporate income tax is not a priority for small businesses. About [95%](#) of small businesses do not pay the corporate tax rate because of how they organize their business and therefore would not benefit from the corporate income tax elimination.² Our [polling](#) found that more than three-quarters (76%) of small business owners we surveyed nationally agree that the tax system already favors large corporations over small businesses like theirs.³

Increase access to capital and opportunity for entrepreneurs

- **Create a short-term grant program or tax incentive to cover the cost of tariffs for equipment and materials during a transition period.** The status and rate of tariffs are now always changing and unpredictable, taking businesses by surprise when purchasing new

equipment and materials. A grant program would alleviate some of the burden and protect the state's small businesses.

- **Enact a state grant program to support businesses impacted by Hurricane Helene.** Small businesses across Western North Carolina are still struggling to rebuild and retain their workforce, and the state has yet to allocate enough funding to support them. Small businesses need to be able to support their communities by keeping their doors open, but they cannot do it without adequate support from the state.
- **Pass HB 45, legislation that will give North Carolinians a fair chance and help expand our state's skilled workforce.** This bill would remove "moral turpitude" as a creation of license denial, focusing instead on the relevance of criminal convictions to professional duties, and standardizing disciplinary actions across various professions. This will allow individuals seeking licensure to start and grow their business based on their qualifications. Furthermore, small business owners support policy solutions which make it easier for justice-impacted individuals to access occupational or professional licensing. A [vast 83% of small business](#) owners in North Carolina say they would support reforms that would allow people with criminal records fairer access to occupational licenses. More than 8 in 10 (81%) say state licensing boards should consider the nature of the offense when deciding whether to deny a license, rather denying a license broadly for any felony conviction.⁴
- **Support the North Carolina Department of Commerce (NCDOC)** in ensuring State Small Business Credit Initiative (SSBCI) dollars continue to reach under-resourced small businesses that have faced systemic barriers in accessing capital through small-dollar loans.
- **Promote responsible lending practices by lenders and brokers to protect small businesses from irresponsible or predatory lending practices.** As outlined in the [Small Business Borrowers' Bill of Rights](#), small businesses need annual percentage rate (APR) disclosures so they can accurately compare financial products.⁵ North Carolina should amend its commercial financing laws to include important disclosures like APR for all small business financing products so that small businesses can access fair, transparent and safe capital.
- **Strengthen education and outreach dollars for small business programs, particularly as federal resources for small businesses face budget cuts and scrutiny.** Reductions in staff and budget for vital agencies and programs will continue to harm small businesses by dramatically decreasing access to advising and technical assistance. North Carolina must support NCDOC in offering multi-lingual resources for small businesses across the state.
- **Strengthen education and outreach dollars for small business programs in lieu of Minority Business Development Centers and Women's Business Centers.** Staff and budget reductions by the federal government for these two vital entities will continue to harm small business. The state must support the NMDOC in offering resources to all small businesses.

Bolster a Main Street-friendly workforce and the creation of quality jobs

- **Allow the Attorney General greater oversight authority for healthcare mergers and acquisitions.** Consolidation in healthcare, especially hospital consolidation, continues to drive up healthcare costs for small businesses and workers. We urge policymakers to support legislation granting the Attorney General's office greater authority to oversee healthcare mergers and acquisitions and take appropriate action if the transaction poses a risk to the public, particularly as healthcare institutions in the state have already been litigated against because of violating federal antitrust laws.
- **Counteract Medicaid cuts for the most vulnerable populations.**
 - In the wake of federal Medicaid cuts signed into law in H.R.1, **policymakers should ensure that Medicaid access is protected for the most vulnerable individuals**, including independent contractors, entrepreneurs and small business workers.

- **Reform the state’s Medicaid trigger laws** to clarify that the state can use other revenue sources to cover the state cost of Medicaid.
- **Fully fund the North Carolina Department of Health and Human Services.**
- **As small businesses search for healthcare plans in the wake of the ACA’s enhanced premium tax credits (EPTCs) expiring at the end of 2025**, North Carolina must communicate to enrollees about plans that are and are not compliant with the Affordable Care Act (ACA) standards. For instance, the state must clearly stipulate what plans do not meet the requirements of the ACA. These can include short-term plans, limited benefit plans, trade association plans and discount plans.

¹ “2025 North Carolina Small Business Profile,” U.S. Small Business Administration, https://advocacy.sba.gov/wp-content/uploads/2025/06/North_Carolina_2025-State-Profile.pdf

² “9 facts about pass-through businesses,” Brookings, 2017, <https://www.brookings.edu/articles/9-facts-about-pass-through-businesses>

³ “Small businesses support Section 199A reform and bottom-up tax benefits,” Small Business Majority, May 2025, <https://smallbusinessmajority.org/our-research/taxes-budget-economy/small-businesses-support-section-199a-reform-and-bottom-tax-benefits>

⁴ “North Carolina small businesses support expanding occupational licensing for justice-impacted individuals,” Small Business Majority, April 2024, <https://smallbusinessmajority.org/our-research/workforce/north-carolina-small-businesses-support-expanding-occupational-licensing-justice-impacted-individuals>

⁵ “Small Business Borrowers’ Bill of Rights,” Responsible Business Lending Coalition, <https://www.borrowersbillofrights.org/setting-the-standards>