

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1120

Short Title: Simplify Sales Tax Filing.

(Public)

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Sponsors: Senators Walker; Block, Cochrane, Guy, Hunt of Durham, Marvin, Parnell, Royall, Shaw, Smith, Soles, Speed, and Ward.

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Referred to: Finance.

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May 2, 1989

A BILL TO BE ENTITLED

AN ACT TO SIMPLIFY THE SCHEDULE FOR FILING SEMIMONTHLY SALES TAX RETURNS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.16(b) reads as rewritten:

"(b) General Reporting Periods. – Returns of taxpayers who are required to report on a monthly or quarterly basis are due within 15 days after the end of each monthly or quarterly period. Returns of taxpayers who are required to report on a semimonthly basis are due within ~~10 days after the end of each semimonthly period.~~ 15 days after each period ending on the last day of the month and are due on the last day of the month for each period ending on the 15th of the month, except that the return for the period ending on June 15th is due on June 25th.

A taxpayer who is consistently liable for less than twenty-five dollars (\$25.00) a month in State and local sales and use taxes may, with the approval of the Secretary, file a return on a quarterly basis. A taxpayer who is consistently liable for at least twenty thousand dollars (\$20,000) a month in State and local sales and use taxes shall, when directed to do so by the Secretary, file a return on a semimonthly basis. All other taxpayers shall file a return on a monthly basis. Quarterly reporting periods end on the last day of March, June, September, and December; monthly reporting periods end on the last day of the month; and semimonthly reporting periods end on the 15th of each month and the last day of each month.

The Secretary shall monitor the amount of tax remitted by a taxpayer and shall direct a taxpayer who consistently remits at least twenty thousand dollars (\$20,000) each

1 month to file a return on a semimonthly basis. In determining the amount of tax due  
2 from a taxpayer for a reporting period the Secretary shall consider the total amount due  
3 from all places of business owned or operated by the same person as the amount due  
4 from that person.

5 A taxpayer who is directed to remit sales and use taxes on a semimonthly basis but  
6 who is unable to gather the information required to submit a complete return for either  
7 the first reporting period or both the first and second semimonthly reporting periods  
8 may, upon written authorization by the Secretary, file an estimated return for that first  
9 reporting period or both periods on the basis prescribed by the Secretary. Once a  
10 taxpayer is authorized to file an estimated return for the first period or both periods, the  
11 taxpayer may continue to file an estimated return for the first or both periods until the  
12 Secretary, by written notification, revokes the taxpayer's authorization to do so. When  
13 filing a return for the second semimonthly reporting period, a taxpayer who files an  
14 estimated return for the first period but not both periods shall remit the amount of tax  
15 due for both the first and second reporting periods, less the amount he remitted with his  
16 estimated return.

17 A taxpayer who files an estimated return for both periods is considered to have been  
18 granted an extension for both the first and second reporting periods. Notwithstanding  
19 G.S. 105-164.19, if a taxpayer who files an estimated return for both periods files a  
20 reconciling return for those periods within ten days of the due date of the return for the  
21 second period and any underpayment of estimated taxes remitted with the reconciling  
22 return is less than ten percent (10%) of the amount of taxes due for both the first and  
23 second reporting periods, no interest shall be charged. Otherwise, a taxpayer who files  
24 an estimated return for both periods shall be charged interest at the statutory rate from  
25 the due date of the return for the first reporting period to the date the reconciling return  
26 is filed."

27 Sec. 2. This act shall become effective October 1, 1989, and applies to sales  
28 made on or after that date.