

FISCAL NOTE TRANSMITTAL FORM

BILL NUMBER: Senate Bill 1015
SHORT TITLE: Sales Tax Certificate of Resale
SPONSOR(S): Senators Winner, Carter, Plexico, Seymour, and Staton

The attached fiscal note on the bill(s) named above is being transmitted to:

Chief Sponsor, House
Chief Sponsor, Senate **SENATOR WINNER et. al.**
Fiscal Note Requested By

Chairman of the House Committee on

Chairman of the House Subcommittee on

Chairman of the Senate Committee on

Chairman of the Senate Subcommittee on

Speaker of the House, Daniel T. Blue, Jr.
President Pro Tempore, Henson Barnes
Chairman of the House Base Budget Appropriations Committee
Representative David Diamont
Chairman of the House Expansion Budget Appropriations Committee
Representative Martin Nesbitt
Chairman of the Senate Appropriations Committee
Senator Marc Basnight
Chairman of the Senate Ways and Means Committee
Senator Kenneth C. Royall, Jr.
Chairman of the Senate Base Budget Committee
Senator Aaron W. Plyler

House Principal Clerks Office
Senate Principal Clerks Office

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

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FISCAL IMPACT: **Expenditures:** Increase () Decrease ()
 Revenues: Increase () Decrease ()
 No Impact (X)
 No Estimate Available ()

FUND AFFECTED: General Fund () Highway Fund () Local Govt. ()
 Other Funds ()

BILL SUMMARY: The bill changes current law regarding buyer and seller responsibilities in a wholesale transaction. It removes the obligation of the seller to establish whether or not a sale is for resale as long as the following conditions are met:

1. The wholesaler accepts the certificate in good faith
2. The purchaser is licensed with the Sales Tax Division
3. The certificate state's the purchaser's name, address, sales tax registration number, and type of property sold in the purchaser's business
4. The property for which a certificate of resale has been offered is the same type of property sold in the purchaser's business

The bill also establishes a new penalty of \$250 against a purchaser for misusing a certificate of resale.

EFFECTIVE DATE: Upon ratification

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Revenue, Sales Tax Division

	FISCAL IMPACT			
	<u>FY93</u> <u>FY97</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>
REVENUES:				
GENERAL FUND	-0-	-0-	-0-	-0-
HIGHWAY FUND				
HIGHWAY TRUST FUND				
LOCAL				
EXPENDITURES	None			
POSITIONS:	None			

ASSUMPTIONS AND METHODOLOGY:

SOURCES OF DATA:

Department of Revenue

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Ruth Sappie

APPROVED BY: Tom C

DATE: July 1, 1992

Official

**Fiscal Research Division
Publication**



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