

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1432

Short Title: Correct Sales Tax Inequity.

(Public)

Sponsors: Representatives Russell; Bowman and Ives.

Referred to: Finance.

May 17, 1993

1 A BILL TO BE ENTITLED
2 AN ACT TO CORRECT INEQUITIES AND PROVIDE FOR MORE EFFICIENT
3 ENFORCEMENT OF THE SALES TAX LAW.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-164.5 reads as rewritten:

6 **"§ 105-164.5. Imposition of tax; wholesale merchant.**

7 There is levied and imposed, in addition to all other taxes of every kind now
8 imposed by law, a privilege or license tax upon every person who engages in the
9 business of selling tangible personal property at wholesale in this State as follows:

10 (1) Every wholesale merchant as defined in this Article shall apply for and
11 obtain an annual license and pay for the license a tax of twenty-five
12 dollars (\$25.00). This license tax shall be paid in advance within the
13 first 15 days of July in each year or, in the case of a new business,
14 within 15 days after business is commenced. Manufacturers making
15 wholesale sales, as defined in this Article, of their own manufactured
16 products, directly and exclusively from the place where the products
17 are manufactured are not required to obtain an annual wholesale
18 license.

19 (2) The sale of any tangible personal property by any wholesale
20 merchant to anyone other than to a registered retailer, wholesale
21 merchant, or nonresident retail or wholesale merchant for resale
22 shall be taxable at the rate provided in this Article upon the retail
23 sale of tangible personal property. The wholesale merchant shall
24 keep a record of each taxable sale, which may include the name and

- 1 address of the purchaser, in accordance with rules adopted by the
2 Secretary.
- 3 (3) The sale of any tangible personal property by any wholesale
4 merchant to a nonresident retail or wholesale merchant must be in
5 strict compliance with rules adopted by the Secretary. A sale that
6 does not conform to the rules is taxable at the rate provided in this
7 Article upon the retail sale of tangible personal property.
- 8 (4) Every wholesale merchant who sells tangible personal
9 property to retailers or nonresident retail or wholesale merchants for
10 resale shall deliver to the customer a bill of sale for each sale,
11 whether for cash or on credit, shall retain a duplicate or carbon copy
12 of each bill of sale, and shall keep each bill of sale on file for at least
13 three years from the date of sale. Failure to comply with this
14 subsection shall subject the wholesale merchant to liability for tax
15 upon the sales at the rate levied in this Article upon retail sales.
- 16 (5) The tax levied is in addition to all other taxes."
- 17 Sec. 2. This act becomes effective October 1, 1993.