

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 142  
Committee Substitute Favorable 5/4/95

Short Title: Tax Law Technical Changes.

(Public)

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Sponsors:

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Referred to:

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February 9, 1995

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE TECHNICAL CHANGES RELATING TO THE REPEAL OF  
3 THE INTANGIBLES TAX AND TO OTHER TAX LAWS.

4 The General Assembly of North Carolina enacts:

5 Section 1. Section 1(b) of Chapter 41 of the 1995 Session Laws reads as  
6 rewritten:

7 "(b) Effective January 1, 1995, the remainder of Article 7 of Chapter 105 of the  
8 General Statutes is repealed. The Secretary of Revenue shall retain from collections  
9 under Division II of Article 4 of Chapter 105 of the General Statutes the cost for the  
10 ~~1995-96 fiscal year~~ 1995-97 fiscal biennium of collecting, administering, and refunding the  
11 taxes levied in Article 7 of Chapter 105 of the General Statutes."

12 Sec. 2. G.S. 105-501(1), as added by Chapter 41 of the 1995 Session Laws,  
13 reads as rewritten:

14 "(1) The Department of Revenue in performing the duties imposed by G.S.  
15 105-275.2 and by Article 15 of this Chapter."

16 Sec. 3. G.S. 105-275.2, as recodified and amended by Chapter 41 of the 1995  
17 Session Laws, reads as rewritten:

18 "**§ 105-275.2. Reimbursement to counties and municipalities for repeal of State tax**  
19 **on intangible personal property.**

1 (a) Reimbursement for Repeal of Tax on Money on Deposit, Money on Hand, and  
2 Funds on Deposit with Insurance Companies. – On or before August 30 of each year, the  
3 Secretary of Revenue shall allocate ~~for distribution to each county and the municipalities in~~  
4 ~~the county~~ the amount allocated to the county under this subsection in 1990.

5 (a1) Reimbursement for Partial Repeal of Tax on Accounts Receivable. – On or  
6 before August 30 of each year, the Secretary of Revenue shall ~~distribute~~ allocate to  
7 counties ~~and municipalities~~ an amount equal to forty percent (40%) of the tax collected on  
8 accounts receivable under former Article 7 of this Chapter (repealed) during the 1989-90  
9 fiscal year. The Secretary shall allocate this amount among the counties in proportion to  
10 the amount allocated to each county under former G.S. 105-213 (repealed) in August  
11 1994.

12 (a2) Reimbursement for Repeal of Tax on Accounts Receivable, Bonds, Stocks, and  
13 Foreign Trust Interests. – On or before August 30 of each year, the Secretary of Revenue  
14 shall ~~distribute~~ allocate to counties the sum of ninety-five million three hundred thirty-one  
15 thousand nine hundred twenty-seven dollars (~~\$95,331,927~~) ~~to counties and municipalities.~~  
16 (\$95,331,927). The Secretary shall allocate this amount among the counties in proportion  
17 to the amount allocated to each county under former G.S. 105-213 (repealed) in August  
18 1994.

19 (a3) Distribution Between County and Its Municipalities. – The amounts allocated  
20 to each county under this section shall be allocated between the county and the  
21 municipalities in the county in proportion to the total amount of ad valorem taxes levied  
22 by each during the fiscal year preceding the distribution. In dividing these amounts  
23 between each county and its municipalities, the Secretary of Revenue shall treat taxes  
24 levied by a merged school administrative unit described in G.S. 115C-513 in a part of the  
25 unit located in a county as taxes levied by the county in which that part is located.

26 After making these allocations, the Secretary shall certify to the State Controller and  
27 to the State Treasurer the amount to be distributed to each county and municipality in the  
28 State. The State Controller shall then issue a warrant on the State Treasurer to each  
29 county and municipality in the amount certified.

30 For the purpose of computing the distribution to any county and the municipalities  
31 located in the county for any year with respect to which the property valuation of a public  
32 service company is the subject of an appeal and the Department of Revenue is restrained  
33 by law from certifying the valuation to the county and the municipalities in the county,  
34 the Department shall use the last property valuation of the public service company that  
35 has been certified.

36 The chair of each board of county commissioners and the mayor of each municipality  
37 shall report to the Secretary of Revenue information requested by the Secretary to enable  
38 the Secretary to allocate the amount distributed by this section. If a county or  
39 municipality fails to make a requested report within the time allowed, the Secretary may  
40 disregard the county or municipality in allocating the amount distributed by this section.

41 (b) Restrictions on Use. – The amount distributed to each county and  
42 municipality shall be used by the county or municipality in proportion to property tax  
43 levies made by it for the various funds and activities of the county or municipality, unless

1 the county or municipality has pledged the amount to be distributed to it under this  
2 section in payment of a loan agreement with the North Carolina Solid Waste  
3 Management Capital Projects Financing Agency. A county or municipality that has  
4 pledged amounts distributed under this section in payment of a loan agreement with the  
5 Agency may apply the amount the loan agreement requires.

6 (c) Repealed by Session Laws 1995, c. 41, s. 3.

7 (d) Source. – Funds distributed under this section shall be drawn from collections  
8 received under Division II of Article 4 of this Chapter."

9 Sec. 4. G.S. 105-134.6(c)(4a), as enacted by Chapter 42 of the General  
10 Statutes, reads as rewritten:

11 "(4a) The amount by which each of the taxpayer's personal exemptions  
12 ~~have~~has been increased for inflation under section 151(d)(4)(A) of  
13 the ~~Code, less Code~~. This amount is reduced by two hundred fifty  
14 dollars (\$250.00) for each personal exemption if the taxpayer's  
15 adjusted gross income (AGI), as calculated under the Code, is less  
16 than the following amounts:

<u>Filing Status</u>	<u>AGI</u>
Married, filing jointly	\$100,000
Head of Household	80,000
Single	60,000
Married, filing separately	50,000.

22 For the purposes of this subdivision, if the taxpayer's personal  
23 exemptions have been reduced by the applicable percentage under  
24 section 151(d)(3) of the Code, the amount by which the personal  
25 exemptions have been increased for inflation is also reduced by the  
26 applicable percentage."

27 Sec. 5. G.S. 105-130.9(4) reads as rewritten:

28 "(4) ~~That portion~~The amount of a contribution ~~that is claimed as a for which~~  
29 the taxpayer claimed a tax credit pursuant to G.S. 105-130.34 shall not  
30 be eligible for a deduction ~~pursuant to~~under this section. The amount of  
31 the credit claimed with respect to the contribution is not, however,  
32 required to be added to income under G.S. 105-130.5(a)(10)."

33 Sec. 6. G.S. 105-130.40(c)(3) reads as rewritten:

34 "(3) The county's rank in a ranking of counties by percentage growth in  
35 population from ~~lowest to highest~~highest to lowest."

36 Sec. 7. G.S. 105-151.17(c)(3) reads as rewritten:

37 "(3) The county's rank in a ranking of counties by percentage growth in  
38 population from ~~lowest to highest~~highest to lowest."

39 Sec. 8. Sections 1, 4, and 5 of this act are effective for taxable years beginning  
40 on or after January 1, 1995. Sections 2 and 3 of this act become effective July 1, 1995.  
41 The remainder of this act is effective upon ratification.