

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: HB 759
SHORT TITLE: Nonprofit Home Sales Tax Refund
SPONSOR(S): Representative Gray
FISCAL IMPACT: **Expenditures:** **Increase ()** **Decrease ()**
 Revenues: **Increase ()** **Decrease (X)**
 No Impact ()
 No Estimate Available ()

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

BILL SUMMARY: The proposed act allows homes for the aged, sick, or infirm a semiannual refund from the sales and use tax on purchases of tangible personal property. [The 6% sales and use tax rate is comprised of a 4% state and 2% local rate.] A hospital, educational institution, and charitable or religious institution are eligible for semiannual refunds so long as the entity is not operated for profit and the real property owned by the entity is not subject to property tax.

EFFECTIVE DATE: Retroactive to July 1, 1994

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:
 Department of Revenue, Sales and Use Tax Division
 Local Units of Government

FISCAL IMPACT
 Estimate
 \$ Millions

	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98	<u>FY</u> 98-99	<u>FY</u> 99-00
REVENUES:					
GENERAL FUND	\$(1.4)	(1.5)			
Retroactive	(.6)				
LOCAL	(.7)				
Retroactive	(.3)	(.7)			
TOTAL	\$(3.0)	\$(2.2)			

ASSUMPTIONS AND METHODOLOGY:

Estimate prepared by the Department of Revenue. The Department reports, the estimate is based on averages developed from claims for refunds filed with the Department by "these" and similar organizations during the period 1991 through 1994, and projected at an annual growth rate of 10%.

SOURCES OF DATA:

Department of Revenue

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: H. Warren Plonk

APPROVED BY: Tom L. Covington **TomC**

DATE: April 19, 1995

[FRD#001]

SECOND EDITION

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EFFECTIVE DATE: January 1, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

Department of Revenue, Sales and Use Tax Division
Local Units of Government

FISCAL IMPACT

Estimate
\$ Millions

	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98	<u>FY</u> 98-99	<u>FY</u> 99-00
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FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: H. Warren Plonk

APPROVED BY: Tom L. Covington **TomC**

DATE: April 17, 1995

[FRD#001]



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