NORTH CAROLINA GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 986

SHORT TITLE: Reduce White Goods Tax

Proposed Committee Substitute SPONSOR(S):

FISCAL IMPACT: Expenditures: Increase ()Decrease ()

> Revenues: Increase () Decrease (X)

Highway Fund () Local FUND AFFECTED: General Fund (X)

Govt. (X)

Other Funds (X)

BILL SUMMARY: The proposed act reduces the disposal tax on new white goods that do not contain chlorofluorocarbon from \$5.00 to \$3.00. The tax on white goods that contain refrigerants is reduced from \$10.00 to \$7.00. act increases the percentage of net proceeds deposited in the Solid Waste Management Trust Fund form 5% to 8%; the intent is to hold the Trust Fund harmless from a decrease of 35% in the combined tax rates. The percentage of net proceeds distributed to counties is reduced by 3% to 72%. Clarifies that a county can use any excess revenue for the clean-up of illegal dump sites. Allows counties to receive reimbursements for the clean- up of dump sites at the discretion of the Division.

EFFECTIVE DATE: July 1, 1996. The original act expires July 1, 1998.

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

County Units of Government

License and Excise Tax Division of the Department of Revenue Solid Waste Management Trust Fund - SWMTF

White Goods Management Account - WGMA

(ESTIMATE) FISCAL IMPACT

\$ Millions

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	FY	FY	FY	FY
	96-97	97-98	98-9 9	99- 00
REVENUES:				
8% SWMTF	\$ 421,915	446,808		
20% WGMA	1,054,788	1,117,021		
72% County	3,797,237	4,021,274		
TOTAL	\$ 5,273,941	5,585,103		
(Loss)	(\$ 2,839,814)	(3,007,363)		

ASSUMPTIONS AND METHODOLOGY:

Before a reduction in the combined rate equal to 35%, the expected revenue for fiscal year 1996-97 is \$8,113,755. The expected growth in collections is 5.9% annually.

SOURCES OF DATA:

Department of Revenue

FISCAL RESEARCH DIVISION

733-4910

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