

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 676

Short Title: Graham, Swain Local Sales Tax.

(Local)

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Sponsors: Representatives Haire; and Ramsey (Primary Sponsors).

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Referred to: Rules, Calendar and Operations of the House.

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March 29, 1999

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE GRAHAM AND SWAIN COUNTIES TO LEVY A SALES  
3 AND USE TAX OF ONE PERCENT.

4 The General Assembly of North Carolina enacts:

5 Section 1. This act applies only to Graham and Swain Counties.

6 Section 2. Subchapter VIII of Chapter 105 of the General Statutes is amended  
7 by adding a new Article to read:

8 **"ARTICLE 44.**

9 **"SECOND ONE-CENT (1¢) LOCAL GOVERNMENT**  
10 **SALES AND USE TAX.**

11 **"§ 105-515. Short title.**

12 This Article shall be known as the Second One-Cent (1¢) Local Government Sales  
13 and Use Tax Act.

14 **"§ 105-516. Purpose.**

15 This Article gives the counties and cities of this State an opportunity to obtain an  
16 additional source of revenue with which to meet their growing financial needs. It  
17 provides all counties of the State that are subject to this Article with authority to levy one  
18 percent (1%) sales and use taxes.

19 **"§ 105-517. Limitations.**

1        This Article applies only to counties that levy the first one-cent (1¢) sales and use tax  
2        under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the  
3        first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the  
4        second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter.

5        **"§ 105-518. Levy and administration.**

6        (a)    Levy. – Before levying the tax authorized by this Article, the board of  
7        commissioners must hold a public hearing on the question after at least 10 days' notice of  
8        the hearing. After the public hearing, the board of commissioners of the county may, by  
9        resolution, levy one percent (1%) local sales and use taxes in addition to any other State  
10       and local sales and use taxes levied pursuant to law.

11       (b)    Administration. – Except as provided in this Article, the adoption, levy,  
12       collection, administration, and repeal of these additional taxes shall be in accordance with  
13       Article 39 of this Chapter. A tax levied under this Article does not apply to the sales  
14       price of food that is not otherwise exempt from tax pursuant to G.S. 105-164.13 but  
15       would be exempt from the State sales and use tax pursuant to G.S. 105-164.13 if it were  
16       purchased under the Food Stamp Program, 7 U.S.C. § 51.

17       **"§ 105-519. Distribution and use.**

18       The Secretary must, on a quarterly basis, distribute to each taxing county the net  
19       proceeds of the tax levied under this Article by that county. If the Secretary collects  
20       taxes under this Article in a month and the taxes cannot be identified as being attributable  
21       to a particular taxing county, the Secretary must allocate these taxes among the taxing  
22       counties in proportion to the amount of taxes collected in each county under this Article  
23       in that month and must include them in the quarterly distribution. The proceeds of a tax  
24       levied under this Article may be used for any lawful public purpose."

25       Section 3. This act is effective when it becomes law.

26       Section 4. A tax levied under Article 44 of Chapter 105 of the General  
27       Statutes, as enacted by this act, does not apply to construction materials purchased to  
28       fulfill a lump-sum or unit-price contract entered into or awarded before the effective date  
29       of the levy or entered into or awarded pursuant to a bid made before the effective date of  
30       the levy when the construction materials would otherwise be subject to the tax levied  
31       under Article 44 of Chapter 105 of the General Statutes.