

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1290 (Senate Finance Committee Substitute)

SHORT TITLE: Revenue Laws Clarifying Changes

SPONSOR(S):

FISCAL IMPACT				
Yes (X)	No ()	No Estimate Available ()		
<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>
REVENUES				
LOCAL GOVERNMENTS		See Assumptions and Methodology		
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Local governments, Department of Revenue, Department of Correction				
EFFECTIVE DATE: Section 2 (pawnbrokers) and Section 10 (fuel tax) are effective July 1, 2000. The remainder of the act is effective when it becomes law				

BILL SUMMARY: This bill makes numerous technical and clarifying changes to the state revenue laws and related statutes.

ASSUMPTIONS AND METHODOLOGY:

Of the 16 sections in the bill, only section 2 has a fiscal impact. When the General Assembly approved Senate Bill 1112 (S.L. 1999-438), it inadvertently capped city and county privilege taxes on pawnbrokers at \$100. Previous law (G.S. 105-50) allowed cities and counties to charge pawnbrokers up to \$275 per year. In a 1996 survey conducted by the Fiscal Research Division of the General Assembly, 44 counties and 24 cities reported having a privilege tax on pawnbrokers ranging from \$5 to \$275. These local governments also reported FY 1995-96 tax revenues from pawnbrokers of \$77,844. If all local governments changed their ordinance in response to SB 1112, then they would have experienced a loss of \$47,993 based on the 1996 report. Passage of this bill would allow local governments to return their tax on pawnbrokers to previous levels and regain revenue lost due to SB 1112.

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