

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1575 (First Edition)

SHORT TITLE: Revenue Laws Technical Changes

SPONSOR(S): Rep. Hill, et al.

FISCAL IMPACT

Yes (X) No () No Estimate Available ()

FY 2000-01 FY 2001-02 FY 2002-03 FY 2003-04 FY 2004-05

REVENUES

LOCAL GOVERNMENTS See Assumptions and Methodology

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Local governments, Department of Revenue, Department of Correction

EFFECTIVE DATE: The act is effective when it becomes law except for Section 5 (pawnbrokers) and Section 23 (fuel tax) effective July 1, 2000; and Section 20 (tax lien lists) effective January 1, 2001.

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

ASSUMPTIONS AND METHODOLOGY:

Of the 33 sections in the bill, only section 5 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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DATE: May 19, 2000

Official
Fiscal Research Division
Publication



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