

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 1352

Short Title: Local Reimbursements/Sales Tax.

(Public)

Sponsors: Representative Hurley.

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

April 16, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE A LOCAL-OPTION ONE-CENT SALES TAX IN LIEU
OF LOCAL GOVERNMENTS' TAX REIMBURSEMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. Subchapter VIII of Chapter 105 of the General Statutes is amended by adding a new Article to read:

"Article 44.

"Second One-Cent (1¢) Local Government Sales and Use Tax.

"§ 105-515. Short title.

This Article is the Second One-Cent (1¢) Local Government Sales and Use Tax Act.

"§ 105-516. Limitations.

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

"§ 105-517. Levy.

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

"§ 105-518. Administration and distribution.

Except as provided in this Article, the adoption, levy, collection, administration, distribution, and repeal of the additional taxes authorized by this Article shall be in accordance with Article 39 of this Chapter."

SECTION 2. A tax levied under Article 44 of Chapter 105 of the General Statutes, as enacted by this act, does not apply to construction materials purchased to fulfill a lump-sum or unit-price contract entered into or awarded before the effective

1 date of the levy or entered into or awarded pursuant to a bid made before the effective
2 date of the levy when the construction materials would otherwise be subject to the tax
3 levied under Article 44 of Chapter 105 of the General Statutes.

4 **SECTION 3.** The following sections of the General Statutes are repealed:

5 (1) G.S. 105-164.44C. Reimbursement for sales taxes on food stamp foods
6 and supplemental foods.

7 (2) G.S. 105-275.1. Reimbursement for exclusion of manufacturers'
8 inventories and poultry and livestock.

9 (3) G.S. 105-275.2. Reimbursement to counties and municipalities for
10 repeal of State tax on intangible personal property.

11 (4) G.S. 105-277.001. Reimbursement for exclusion of retailers' and
12 wholesalers' inventories.

13 (5) G.S. 105-277.1A. Property classified for taxation at reduced valuation;
14 duties of tax collectors; reimbursement of localities for portion of tax
15 lost.

16 **SECTION 4.** Section 3 of this act becomes effective July 1, 2001. The
17 remainder of this act is effective when it becomes law.