

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

**SESSION LAW 2002-123
SENATE BILL 1292**

AN ACT TO ACCELERATE THE ADDITIONAL ONE-HALF CENT LOCAL
OPTION SALES AND USE TAX AND TO MAKE CONFORMING AND
TECHNICAL CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-517(c) reads as rewritten:

"(c) Effective Date. – A tax levied under this Article may not become effective before ~~July 1, 2003.~~December 1, 2002."

SECTION 2. G.S. 105-518(b) reads as rewritten:

"(b) Ballot Question. – The question to be presented on a ballot for a special election concerning the levy of the taxes authorized by this Article must be in the following form:

[] FOR [] AGAINST

one-half percent (½%) local sales and use taxes, ~~to replace the current one-half percent (½%) State sales and use taxes that end July 1, 2003.~~in addition to all current State and local sales and use taxes."

SECTION 3. Section 34.14(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 34.14.(b)** Notwithstanding the provisions of G.S. 105-466(c), a tax levied ~~during the 2003 calendar year~~ under Article 44 of Chapter 105 of the General Statutes, as enacted by this act, may become effective on ~~the first day of any calendar month beginning on or after July 1, 2003.~~December 1, 2002. Notwithstanding the provisions of G.S. 105-466(c), if a county levies a tax ~~during the 2003 calendar year~~ under Article 44 of Chapter 105 of the General Statutes, as enacted by this act, that is to become effective on or before January 1, 2003, the county is required to give the Secretary of Revenue only 30 days' advance notice of the tax levy. For taxes ~~levied on or that are to become effective after January 1, 2004,~~2003, the provisions of G.S. 105-466(c) apply."

SECTION 4. To the extent the Department of Revenue's nonrecurring costs of implementing and administering Article 44 of Chapter 105 of the General Statutes, as amended, exceed funds available in its budget for the 2002-2003 fiscal year, the Department may pay the excess cost by withholding up to two hundred seventy-five thousand dollars (\$275,000) from collections under Subchapter VIII of Chapter 105 of the General Statutes.

SECTION 5. The Department of Revenue may contract for supplies, materials, equipment, and contractual services related to the provision of notice, the creation of tax forms and instructions, and the development of computer software necessitated by the amendments in this act without being subject to the requirements of Article 3 or Article 8 of Chapter 143 of the General Statutes.

SECTION 6. Notwithstanding any other provision of law, a retailer is not liable for the additional one-half percent (½%) tax levied by counties effective December 1, 2002, that it fails to collect from purchasers due to an inadvertent error during the month of December 2002, if the retailer can demonstrate to the Secretary the reason for the inadvertent error. An example of an inadvertent error is a delay in reprogramming point-of-sale equipment.

SECTION 7.(a) The title of Article 39 of Chapter 105 of the General Statutes reads as rewritten:

"Article 39.

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

SECTION 7.(b) G.S. 105-463 reads as rewritten:

"§ 105-463. Short title.

This Article shall be known as the "~~Local~~ First One-Cent (1¢) Local Government Sales and Use Tax Act."

SECTION 8.(a) The title of Article 40 of Chapter 105 of the General Statutes reads as rewritten:

"Article 40.

~~Supplemental~~ First One-Half Cent (1/2¢) Local Government Sales and Use Taxes."

SECTION 8.(b) G.S. 105-480 reads as rewritten:

"§ 105-480. Short title.

This Article shall be known as the ~~Supplemental~~ First One-Half Cent (1/2¢) Local Government Sales and Use Tax Act."

SECTION 9.(a) The title of Article 42 of Chapter 105 of the General Statutes reads as rewritten:

"Article 42.

~~Additional Supplemental~~ Second One-Half Cent (1/2¢) Local Government Sales and Use Taxes."

SECTION 9.(b) G.S. 105-495 reads as rewritten:

"§ 105-495. Short title.

This Article shall be known as the ~~Additional Supplemental~~ Second One-Half Cent (1/2¢) Local Government Sales and Use Tax Act."

SECTION 10. Notwithstanding the provisions of G.S. 105-517(b), a county may levy a tax by resolution that becomes effective on or before January 1, 2003, under Article 44 of Chapter 105 of the General Statutes by giving at least 48 hours notice of its intent to adopt the resolution, as provided under G.S. 143-318.12(b)(2).

SECTION 11. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 25th day of September, 2002.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 11:40 a.m. this 26th day of September, 2002