

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE DRH10587-SV-22 (05/16)

Short Title: Sales Tax Refund for TDAs.

(Public)

Sponsors: Representative Alexander.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE A SALES AND USE TAX REFUND FOR TOURISM
DEVELOPMENT AUTHORITIES AND OTHER ENTITIES AUTHORIZED TO
SPEND OCCUPANCY TAX PROCEEDS FOR THE PROMOTION OF TRAVEL
AND TOURISM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.14(c) is amended by adding a new subdivision to
read:

"(c) Certain Governmental Entities. – A governmental entity listed in this
subsection is allowed an annual refund of sales and use taxes paid by it under this
Article on direct purchases of tangible personal property and services, other than
electricity and telecommunications service. Sales and use tax liability indirectly
incurred by a governmental entity on building materials, supplies, fixtures, and
equipment that become a part of or annexed to any building or structure that is owned or
leased by the governmental entity and is being erected, altered, or repaired for use by
the governmental entity is considered a sales or use tax liability incurred on direct
purchases by the governmental entity for the purpose of this subsection. A request for a
refund must be in writing and must include any information and documentation required
by the Secretary. A request for a refund is due within six months after the end of the
governmental entity's fiscal year. The Secretary shall make an annual report to the
Department of Public Instruction and the Fiscal Research Division of the General
Assembly by March 1 of the amount of refunds, identified by taxpayer, claimed under
subdivisions (2b) and (2c) of this subsection over the preceding year.

This subsection applies only to the following governmental entities:

...

(23) A tourism development authority created by a city or county pursuant
to an act of the General Assembly, or an entity otherwise authorized by

1 an act of the General Assembly to spend occupancy tax proceeds on
2 the promotion of travel and tourism."

3 **SECTION 2.** This act becomes effective July 1, 2006, and applies to
4 purchases made on or after that date.