

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH70748-ME-10A (3/27)

Short Title: Use Tax Collection on Items Over \$1,000. (Public)

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Sponsors: Representative Allred.

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Referred to:

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1 A BILL TO BE ENTITLED  
2 AN ACT TO FACILITATE THE COLLECTION OF USE TAX ON ITEMS  
3 COSTING ONE THOUSAND DOLLARS OR MORE.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Article 15 of Chapter 105 of the General Statutes is amended  
6 by adding a new section to read:

7 "**§ 105-291.1. Subpoena power to collect unpaid use tax.**

8 If an out-of-state manufacturer, dealer, or merchant sells personal property costing  
9 one thousand dollars (\$1,000) or more to residents of this State who do not pay use tax  
10 owed to the Department of Revenue, then the Department shall initiate the appropriate  
11 action against the manufacturer, dealer, or merchant holding records of the transactions  
12 for sales of the personal property or holding any warranty information to determine the  
13 identities of residents failing to pay the use tax. The Department shall issue the  
14 appropriate type of subpoenas pursuant to Rule 45 of the North Carolina Rules of Civil  
15 Procedure or pursuant to Rule 45 of the federal Rules of Civil Procedure to obtain the  
16 names and addresses of State residents who purchased personal property from outside of  
17 this State for the purpose of collecting any taxes owed and shall send a tax bill to the  
18 residents who have not paid the use tax. Additionally, the Department shall notify  
19 county tax assessors of the Department's findings if applicable."

20 SECTION 2. There is appropriated from the General Fund to the  
21 Department of Revenue the sum of fifty thousand dollars (\$50,000) in recurring funds  
22 for the 2008-2009 fiscal year for the implementation of Section 1 of this act.

23 SECTION 3. This act becomes effective July 1, 2008.