

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE DRS75303-LY-167A (3/13)**

Short Title: Electricity Franchise Tax Distribution. (Public)

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Sponsors: Senator Hoyle.

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Referred to:

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A BILL TO BE ENTITLED

1  
2 AN ACT TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO  
3 DETERMINE A DIFFERENT METHOD FOR DISTRIBUTING THE  
4 FRANCHISE TAX ON ELECTRIC POWER COMPANIES IN ORDER TO  
5 SIMPLIFY THE DISTRIBUTION, REDUCE THE ADMINISTRATIVE BURDEN  
6 ASSOCIATED WITH THE DISTRIBUTION, AND PREVENT ERRORS IN THE  
7 DISTRIBUTION.

8 The General Assembly of North Carolina enacts:

9       **SECTION 1.** The General Assembly finds that the current distribution to  
10 cities under G.S. 105-116.1 of part of the franchise tax on electric power companies  
11 imposes unnecessary administrative burdens on the cities, the power companies, and the  
12 Department of Revenue and results in numerous errors in the distribution. The Revenue  
13 Laws Study Committee is directed to recommend a method of distributing this revenue  
14 to the cities on the basis of a formula that uses factors such as population and percentage  
15 share of prior distributions rather than service inside constantly changing city  
16 boundaries. The Committee must consult with the League of Municipalities and the  
17 Department of Revenue in developing a recommendation. The Committee must include  
18 its recommendation on a distribution method in its report to the 2008 Regular Session of  
19 the 2007 General Assembly.

20       **SECTION 2.** This act is effective when it becomes law.