

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1545

Short Title: Clarify Excise Tax on Timber Contracts.

(Public)

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Sponsors: Representatives Pope, Luebke, Allen, Gray, Hill, Jarrell, Miller, and Tucker.

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

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May 16, 2000

A BILL TO BE ENTITLED

1 AN ACT TO CLARIFY THAT THE EXCISE TAX ON CONVEYANCES APPLIES  
2 TO TIMBER DEEDS AND CONTRACTS FOR THE SALE OF STANDING  
3 TIMBER.  
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 105-228.30 reads as rewritten:

7 "**§ 105-228.30. (Effective July 1, 2000) Imposition of excise tax; distribution of**  
8 **proceeds.**

9 (a) An excise tax is levied on each instrument by which any interest in real  
10 property is conveyed to another person. The tax rate is one dollar (\$1.00) on each five  
11 hundred dollars (\$500.00) or fractional part thereof of the consideration or value of the  
12 interest conveyed. The transferor must pay the tax to the register of deeds of the county in  
13 which the real estate is located before recording the instrument of conveyance. If the  
14 instrument transfers a parcel of real estate lying in two or more counties, however, the tax  
15 must be paid to the register of deeds of the county in which the greater part of the real  
16 estate with respect to value lies.

17 The excise tax on instruments imposed by this Article applies to timber deeds and  
18 contracts for the sale of standing timber to the same extent as if these deeds and contracts  
19 conveyed an interest in real property.

1       (b)     The register of deeds of each county must remit the proceeds of the tax levied  
2 by this section to the county finance officer. The finance officer of each county must  
3 credit one-half of the proceeds to the county's general fund and remit the remaining one-  
4 half of the proceeds, less the county's allowance for administrative expenses, to the  
5 Department of Revenue on a quarterly basis. A county may retain two percent (2%) of  
6 the amount of tax proceeds allocated for remittance to the Department of Revenue as  
7 compensation for the county's cost in collecting and remitting the State's share of the tax.  
8 Of the funds remitted to it pursuant to this section, the Department of Revenue must  
9 credit seventy-five percent (75%) to the Parks and Recreation Trust Fund established  
10 under G.S. 113-44.15 and twenty-five percent (25%) to the Natural Heritage Trust Fund  
11 established under G.S. 113-77.7."

12             Section 2. This act becomes effective July 1, 2000, and applies to timber deeds  
13 and contracts for the sale of standing timber executed on or after that date.