

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 715

Short Title: Wake Sales Tax for Schools.

(Local)

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Sponsors: Senator Miller.

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Referred to: Finance.

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April 1, 1999

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE WAKE COUNTY TO LEVY A ONE-CENT LOCAL SALES AND USE TAX FOR PUBLIC SCHOOL CAPITAL OUTLAY, IF APPROVED BY THE VOTERS OF THE COUNTY.

The General Assembly of North Carolina enacts:

Section 1. This act applies to Wake County only.

Section 2. Subchapter VIII of Chapter 105 of the General Statutes is amended by adding a new Article to read:

**"ARTICLE 44.**

**"SECOND ONE-CENT (1¢) LOCAL GOVERNMENT SALES AND USE TAX.**

**"§ 105-525. Short title.**

This Article is the Second One-Cent (1¢) Local Government Sales and Use Tax Act.

**"§ 105-526. Limitations.**

This Article applies only to counties that levy the first one-cent (1¢) sales and use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter.

**"§ 105-527. Levy.**

(a) Authority. – If the majority of those voting in a special election held pursuant to this Article vote for the levy of the taxes, the board of commissioners of the county

1 may, by resolution, levy one percent (1%) local sales and use taxes in addition to any  
2 other State and local sales and use taxes levied pursuant to law.

3 (b) Vote. – The board of commissioners of a county may direct the county board  
4 of elections to conduct a special election on the question of whether to levy local one  
5 percent (1%) sales and use taxes in the county as provided in this Article. The election  
6 must be held on a date jointly agreed upon by the two boards and must be held in  
7 accordance with the procedures of G.S. 163-287.

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

11 **'[ ] FOR [ ] AGAINST**

12 one percent (1%) local sales and use taxes, in addition to the current two percent (2%)  
13 local sales and use taxes, to be used only for public school capital outlay.'

14 **"§ 105-528. Administration.**

15 Except as provided in this Article, the adoption, levy, collection, administration, and  
16 repeal of the additional taxes authorized by this Article shall be in accordance with  
17 Article 39 of this Chapter.

18 A tax levied under this Article does not apply to the sales price of food that is not  
19 otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the  
20 State sales and use tax pursuant to G.S. 105-164.13 if it were purchased under the Food  
21 Stamp Program, 7 U.S.C. § 51.

22 **"§ 105-529. Distribution and use.**

23 (a) Distribution. – The Secretary must, on a quarterly basis, distribute to each  
24 taxing county the net proceeds of the tax collected in that county under this Article. If the  
25 Secretary collects taxes under this Article in a month and the taxes cannot be identified as  
26 being attributable to a particular taxing county, the Secretary must allocate these taxes  
27 among the taxing counties in proportion to the amount of taxes collected in each county  
28 under this Article in that month and must include them in the quarterly distribution.

29 (b) Use. – The proceeds of a tax levied under this Article may be used only for  
30 public school capital outlay purposes as defined in G.S. 115C-426(f) or to retire debt  
31 incurred by the county for these purposes."

32 Section 3. A tax levied under Article 44 of Chapter 105 of the General  
33 Statutes, as enacted by this act, does not apply to construction materials purchased to  
34 fulfill a lump-sum or unit-price contract entered into or awarded before the effective date  
35 of the levy or entered into or awarded pursuant to a bid made before the effective date of  
36 the levy when the construction materials would otherwise be subject to the tax levied  
37 under Article 44 of Chapter 105 of the General Statutes.

38 Section 4. This act is effective when it becomes law.