

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** House Bill 1545 (First Edition)

**SHORT TITLE:** Excise Tax on Timber Contracts

**SPONSOR(S):** Rep. Pope, et al.

<b>FISCAL IMPACT</b>				
<b>Yes ( )</b>	<b>No (X)</b>	<b>No Estimate Available ( )</b>		
<b><u>FY 2000-01</u></b>	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>
<b>REVENUES</b>				
<b>EXPENDITURES</b>				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>		North Carolina Department of Revenue, County Registers of Deeds		
<b>EFFECTIVE DATE:</b> Becomes effective July 1, 2000 and applies to timber deeds and contracts for the sale of standing timber executed on or after that date.				

**BILL SUMMARY:** The bill clarifies that the excise tax on instruments conveying real property applies to timber deeds and contracts for the sale of standing timber.

**ASSUMPTIONS AND METHODOLOGY:** There is no fiscal impact of this bill because it continues the historical tax treatment of timber deeds and contracts as real property. Despite recent court cases that argue timber deeds are personal property, most Registers of Deeds have continued to impose an excise tax on transfers of interests in timber deeds and contracts. (The amount of tax generated from timber deeds cannot be ascertained because Registers of Deeds do not separate timber deeds from other records.)

**FISCAL RESEARCH DIVISION 733-4910**

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**DATE:** May 18, 2000



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