

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 959
Committee Substitute Favorable 4/24/03

Short Title: Study Tax Preferences.

(Public)

Sponsors:

Referred to:

April 9, 2003

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE REVENUE LAWS STUDY COMMITTEE TO
CONDUCT A REVIEW OF ALL TAX EXPENDITURES AT LEAST ONCE
EVERY FIVE YEARS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 120-70.106 reads as rewritten:

"§ **120-70.106. Purpose and powers**Purpose, powers, and duties of Committee.

(a) The Revenue Laws Study Committee may:

- (1) Study the revenue laws of North Carolina and the administration of those laws.
- (2) Review the State's revenue laws to determine which laws need clarification, technical amendment, repeal, or other change to make the laws concise, intelligible, easy to administer, and equitable.
- (3) Call upon the Department of Revenue to cooperate with it in the study of the revenue laws.
- (4) Report to the General Assembly at the beginning of each regular session concerning its determinations of needed changes in the State's revenue laws.

These powers, which are enumerated by way of illustration, shall be liberally construed to provide for the maximum review by the Committee of all revenue law matters in this State.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee. When a recommendation of the Committee, if enacted, would result in an increase or decrease in State revenues, the report of the Committee must include an estimate of the amount of the increase or decrease.

(c) The Committee shall conduct a comprehensive review of each tax expenditure at least once every five years to determine if the tax expenditure is an

1 equitable and efficient means of achieving a State public policy objective and shall
2 report to the General Assembly on the findings of this review. For the purpose of this
3 subsection, the term 'tax expenditure' has the same meaning as in G.S. 105-256. The
4 Committee may stagger the reviews so that not all tax expenditures have to be
5 reevaluated in the same year."

6 **SECTION 2.** The first reviews required under G.S. 120-70.106(c), as
7 enacted by this act, shall be reported to the 2005 General Assembly.

8 **SECTION 3.** This act is effective when it becomes law.