

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

**H**

**D**

**HOUSE DRH10061-LY-27 (12/13)**

Short Title: Efficiency: School Board Sales Tax.

(Public)

---

Sponsors: Representative Pate.

---

Referred to:

---

A BILL TO BE ENTITLED

AN ACT TO PROMOTE EFFICIENCY IN GOVERNMENT BY ALLOWING A SALES AND USE TAX EXEMPTION FOR LOCAL SCHOOL BOARDS INSTEAD OF A SALES AND USE TAX REFUND TO LOCAL SCHOOL BOARDS AND TO MODIFY THE SCHOOL ADMISSION REQUIREMENTS TO ENSURE THAT ALL STUDENTS ARE READY TO ENTER KINDERGARTEN.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-164.13 is amended by adding a new subdivision to read:

**"§ 105-164.13. Retail sales and use tax.**

The sale at retail, the use, storage or consumption in this State of the following tangible personal property is specifically exempted from the tax imposed by this Article:

...

(54) Items subject to sales and use tax under G.S. 105-164.4, other than electricity and telecommunications service, if all of the following conditions are met:

- a. The items are purchased by a local school administrative unit for its own use and in accordance with G.S. 105-164.29B.
- b. The items are purchased pursuant to a valid purchase order issued by the local school administrative unit that contains the exemption number of the unit and a description of the property purchased, or the items purchased are paid for with a check, electronic deposit, credit card, procurement card, or credit account of the local school administrative unit.
- c. For all purchases other than by a purchase order issued by the local school administrative unit, the unit must provide to or have on file with the retailer the unit's exemption number."

1           **SECTION 2.** Part 5 of Article 5 of Chapter 105 of the General Statutes is  
2 amended by adding a new section to read:

3 **"§ 105-164.29B. Local school administrative unit exemption process.**

4       (a) Application. – To be eligible for the exemption provided in  
5 G.S. 105-164.13(54), a local school administrative unit must obtain from the  
6 Department of Revenue a sales tax exemption number. The application for exemption  
7 must be in the form required by the Secretary, be signed by the local school  
8 administrative unit's finance officer, and contain any information required by the  
9 Secretary. The Secretary must assign a sales tax exemption number to a local school  
10 administrative unit that submits a proper application.

11       (b) Liability. – A local school administrative unit that does not use the items  
12 purchased with its exemption number must pay the tax that should have been paid on  
13 the items purchased, plus interest calculated from the date the tax would otherwise have  
14 been paid."

15           **SECTION 3.** G.S. 115C-364 reads as rewritten:

16 **"§ 115C-364. Admission requirements.**

17       (a) A child who is presented for enrollment at any time during the first 120 days  
18 of a school year is entitled to initial entry into the public schools if:

19           (1) The child reaches or reached the age of 5 on or before ~~October 16~~  
20 September 16 of that school year; or

21           (2) The child did not reach the age of 5 on or before ~~October 16~~September  
22 16 of that school year, but has been attending school during that school  
23 year in another state in accordance with the laws or rules of that state  
24 before the child moved to and became a resident of North Carolina.

25       (b) A local board may allow a child who is presented for enrollment at any time  
26 after the first 120 days of a school year to be eligible for initial entry into the public  
27 schools if:

28           (1) The child reached the age of 5 on or before ~~October 16~~September 16  
29 of that school year; or

30           (2) The child did not reach the age of 5 on or before ~~October 16~~September  
31 16 of that school year, but has been attending school during that school  
32 year in another state in accordance with the laws or rules of that state  
33 before the child moved to and became a resident of North Carolina.

34       (c) The initial point of entry into the public school system shall be at the  
35 kindergarten level. If the principal of a school finds as fact subsequent to initial entry  
36 that a child, by reason of maturity can be more appropriately served in the first grade  
37 rather than in kindergarten, the principal may act under G.S. 115C-288 to implement  
38 this educational decision without regard to chronological age. The principal of any  
39 public school may require the parent or guardian of any child presented for admission  
40 for the first time to that school to furnish a certified copy of the child's birth certificate,  
41 which shall be furnished by the register of deeds of the county having on file the record  
42 of the birth of the child, or other satisfactory evidence of date of birth.

43       (d) A child who has passed the fourth anniversary of the child's birth on or before  
44 April 16 may enter kindergarten if the child is presented for enrollment no later than the

1 end of the first month of the school year and if the principal of the school finds, based  
2 on information submitted by the child's parent or guardian, that the child is gifted and  
3 that the child has the maturity to justify admission to the school. The State Board of  
4 Education shall establish guidelines for the principal to use in making this finding."

5 **SECTION 4.** Section 1 of this act becomes effective July 1, 2005, and  
6 applies to sales made on or after that date. Section 3 of this act becomes effective July 1,  
7 2005. The remainder of this act becomes effective January 1, 2005.