

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

SENATE BILL 537  
RATIFIED BILL

AN ACT TO ALLOW THE PAYMENT OF TAXES IN LIMITED CIRCUMSTANCES BY OFFSET OF AN OBLIGATION OWED TO THE TAXPAYER BY THE TAXING UNIT.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-357(a) reads as rewritten:

"(a) Medium of Payment. – Taxes shall be payable in existing national currency. Deeds to real property, notes of the taxpayer or others, bonds or notes of the taxing unit, and payments in kind shall not be accepted in payment of ~~taxes, nor shall any taxes.~~ A taxing unit may not permit the payment of taxes by offset of any bill, claim, judgment, or other obligation owed to the taxpayer by the taxing unit. The prohibition against payment of taxes by offset does not apply to offset of an obligation arising from a lease or another contract entered into between the taxpayer and the taxing unit before July 1 of the fiscal year for which the unpaid taxes were levied."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23<sup>rd</sup> day of June, 2005.

---

Marc Basnight  
President Pro Tempore of the Senate

---

James B. Black  
Speaker of the House of Representatives

---

Michael F. Easley  
Governor

Approved \_\_\_\_\_ .m. this \_\_\_\_\_ day of \_\_\_\_\_, 2005