

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH30351-MC_x-132 (3/28)

Short Title: One-Cent Local Option Sales Tax. (Public)

Sponsors: Representative E. Warren.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE COUNTIES TO LEVY A ONE-CENT LOCAL SALES AND USE TAX FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES, COMMUNITY COLLEGE CAPITAL OUTLAY PURPOSES, OTHER CAPITAL INFRASTRUCTURE NEEDS, ROAD CONSTRUCTION, OR MENTAL HEALTH PROGRAMS.

The General Assembly of North Carolina enacts:

SECTION 1. Subchapter VIII of Chapter 105 of the General Statutes is amended by adding a new Article to read:

"Article 46.

"Second One-Cent (1¢) Local Government Sales and Use Tax.

"§ 105-535. Short title.

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

"§ 105-536. Limitations.

This Article applies only to counties that levy the first one-cent (1¢) local 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, the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter, and the third one-half cent (1/2¢) local sales and use tax under Article 44 of this Chapter.

"§ 105-537. Levy.

If a majority of those voting in a special election held pursuant to this Article vote for the levy of the taxes in a county, the board of commissioners of a county may, by resolution, levy one percent (1%) local sales and use taxes in addition to any other State and local sales and use taxes levied pursuant to law.

"§ 105-538. County election on adoption of tax.

1 date of the levy when the construction materials would otherwise be subject to the tax
2 levied under Article 46 of Chapter 105 of the General Statutes.

3 **SECTION 3.** G.S. 105-269.14(b) reads as rewritten:

4 "(b) Distribution. – The Secretary must distribute a portion of the net use tax
5 proceeds collected under this section to counties and cities. The portion to be distributed
6 to all counties and cities is the total net use tax proceeds collected under this section
7 multiplied by a fraction. The numerator of the fraction is the local use tax proceeds
8 collected under this section. The denominator of the fraction is the total use tax
9 proceeds collected under this section. The Secretary must distribute this portion to the
10 counties and cities in proportion to their total distributions under Articles 39, 40, 42, 43,
11 ~~and 44~~, 45, and 46 of this Chapter and Chapter 1096 of the 1967 Session Laws for the
12 most recent period for which data are available. The provisions of G.S. 105-472,
13 105-486, ~~and 105-501~~105-501, 105-510, 105-520, 105-531, and 105-539 do not apply
14 to tax proceeds distributed under this section."

15 **SECTION 4.** G.S. 136-98 is repealed.

16 **SECTION 5.** Section 3 of this act is effective for taxable years beginning on
17 or after January 1, 2008. The remainder of this act is effective when it becomes law.