

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1994

Short Title: Tax Study of Out-of-State Sales.

(Public)

Sponsors: Representatives Stam, Allred (Primary Sponsors); Brown and Hurley.

Referred to: Finance.

May 10, 2007

A BILL TO BE ENTITLED

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2 AN ACT TO STUDY PURCHASES OF TANGIBLE PERSONAL PROPERTY TO
3 OUT-OF-STATE RESIDENTS FOR USE IN ANOTHER STATE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** The Department of Revenue shall study and examine, with the
6 appropriate agencies of neighboring states and taxpayer groups, issues associated with
7 cross-border transactions where property is purchased in one state and used in another
8 state. The Department shall examine the economic effects on retailers in North Carolina
9 that make cross-border deliveries of merchandise and shall recommend possible actions
10 that might be taken to address the avoidance of sales and use tax by retailers and
11 purchasers located near State lines and to improve compliance with, or recommend
12 changes to, existing State laws. The Department shall also consider changes that would
13 ease the burden on retailers that deal with cross-border issues and ways to ensure that
14 North Carolina retailers are not placed at a disadvantage in comparison to retailers in
15 surrounding states.

16 **SECTION 2.** The Department of Revenue shall report its findings, together
17 with any recommendations, to the 2008 Regular Session of the 2007 General Assembly.

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