

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**HOUSE BILL 346  
Committee Substitute Favorable 7/19/07**

Short Title: Sales Tax Refund for TDAs.

(Public)

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Sponsors:

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Referred to:

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February 26, 2007

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE A SALES AND USE TAX REFUND FOR TOURISM  
2 DEVELOPMENT AUTHORITIES AND OTHER ENTITIES AUTHORIZED TO  
3 SPEND OCCUPANCY TAX PROCEEDS FOR THE PROMOTION OF TRAVEL  
4 AND TOURISM.  
5

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 105-164.14(c) is amended by adding a new subdivision to  
8 read:

9 "(c) Certain Governmental Entities. – A governmental entity listed in this  
10 subsection is allowed an annual refund of sales and use taxes paid by it under this  
11 Article on direct purchases of tangible personal property and services, other than  
12 electricity, telecommunications service, and ancillary service. Sales and use tax liability  
13 indirectly incurred by a governmental entity on building materials, supplies, fixtures,  
14 and equipment that become a part of or annexed to any building or structure that is  
15 owned or leased by the governmental entity and is being erected, altered, or repaired for  
16 use by the governmental entity is considered a sales or use tax liability incurred on  
17 direct purchases by the governmental entity for the purpose of this subsection. A request  
18 for a refund must be in writing and must include any information and documentation  
19 required by the Secretary. A request for a refund is due within six months after the end  
20 of the governmental entity's fiscal year.

21 This subsection applies only to the following governmental entities:

22 ...

23 (23) A tourism development authority created by a city or county pursuant  
24 to an act of the General Assembly."

25 **SECTION 2.** This act becomes effective July 1, 2007, and applies to  
26 purchases made on or after that date.