

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 2062

Short Title: Raise Sales and Use Tax Prepayment Threshold. (Public)

Sponsors: Senator Hoyle.

Referred to: Finance.

May 28, 2008

A BILL TO BE ENTITLED

1 AN ACT TO INCREASE THE APPLICABILITY THRESHOLD FOR MANDATORY
2 MONTHLY PREPAYMENT OF THE FOLLOWING MONTH'S SALES AND
3 USE TAX LIABILITY.
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-164.16 reads as rewritten:

7 "**§ 105-164.16. Returns and payment of taxes.**

8 (a) General. – Sales and use taxes are payable when a return is due. A return is
9 due quarterly or monthly as specified in this section. A return must be filed with the
10 Secretary on a form prescribed by the Secretary and in the manner required by the
11 Secretary. A return must be signed by the taxpayer or the taxpayer's agent.

12 A sales tax return must state the taxpayer's gross sales for the reporting period, the
13 amount and type of sales made in the period that are exempt from tax under
14 G.S. 105-164.13 or are elsewhere excluded from tax, the amount of tax due, and any
15 other information required by the Secretary. A use tax return must state the purchase
16 price of tangible personal property or services that were purchased or received during
17 the reporting period and are subject to tax under G.S. 105-164.6, the amount of tax due,
18 and any other information required by the Secretary. Returns that do not contain the
19 required information will not be accepted. When an unacceptable return is submitted,
20 the Secretary will require a corrected return to be filed.

21 (b) Quarterly. – A taxpayer who is consistently liable for less than one hundred
22 dollars (\$100.00) a month in State and local sales and use taxes must file a return and
23 pay the taxes due on a quarterly basis. A quarterly return covers a calendar quarter and
24 is due by the last day of the month following the end of the quarter.

25 (b1) Monthly. – A taxpayer who is consistently liable for at least one hundred
26 dollars (\$100.00) but less than twenty-five thousand dollars (\$25,000)~~ten thousand~~
27 ~~dollars (\$10,000)~~ a month in State and local sales and use taxes must file a return and
28 pay the taxes due on a monthly basis. A monthly return is due by the 20th day of the
29 month following the calendar month covered by the return.

1 (b2) Prepayment. – A taxpayer who is consistently liable for at least twenty-five
2 thousand dollars (\$25,000)~~ten thousand dollars (\$10,000)~~ a month in State and local
3 sales and use taxes must make a monthly prepayment of the next month's tax liability.
4 The prepayment is due on the date a monthly return is due. The prepayment must equal
5 at least sixty-five percent (65%) of any of the following:

- 6 (1) The amount of tax due for the current month.
- 7 (2) The amount of tax due for the same month in the preceding year.
- 8 (3) The average monthly amount of tax due in the preceding calendar
9 year.

10"

11 **SECTION 2.** This act becomes effective October 1, 2008, and applies to
12 sales and use tax returns due on or after that date.