

May 18, 2000

H 1624. STREAMLINED SALES TAX SYSTEM. TO IMPLEMENT THE RECOMMENDATION OF THE NATIONAL GOVERNOR'S ASSOCIATION FOR A STREAMLINED SALES TAX COLLECTION SYSTEM AND TO OTHERWISE IMPROVE COLLECTION.

Adds new GS 105-164.27 authorizing person who purchases tangible personal property whose tax status cannot be determined at time of purchase to get a direct pay certificate from the Sec'y of Revenue. Certificate allows holder to purchase property without paying sales tax to seller and makes holder liable for use tax, which must be paid when property is placed in use. Provides that certificate cannot be used for sale of electricity or local telecommunications service. Adds new GS 105-164.43A to 105-164.43C to provide that retailers who contract with Certified Sales Tax Collector are not subject to audit by State for transactions processed by that collector. Specifies requirements for collectors to be certified by Sec'y to collect tax and allows Sec'y to contract with certified collector for the collection and remittance of state sales and use taxes. As agent of the seller, collector is liable for sales tax due on all sales transactions processed by collector. Amends GS 105-164.13 to exempt from sales and use tax tangible personal property sold to person in NC but delivered to a person in another state. Amends GS 105-236(5a) to make misuse of exemption certificate (certificate that authorizes retailer to sell tangible personal property to holder and with collect tax at preferential rate or not collect tax and includes certificate of resale, direct pay certificate, and farmer's certificate) subject to \$250 penalty. Adds new GS 105-269.13 to provide that the following debts are not collectible nor subject to issuance of a writ of execution: (1) loan made by lender, cash checking business, or pawnbroker that does not have required privilege license or (2) a debt owed to retailer who makes mail order sales in NC; is subject to taxation in this state; reported gross sales of at least \$5 million in latest federal tax return and is not registered to collect use tax. Amends GS 105-466 to provide if county or city imposes local sales tax or changed tax rate, collection of tax must begin on the first of January or July (now, first of any month) and to require county or city to give Sec'y of Revenue at least 90 days notice of tax levy. Amends GS 20-7 to allow DMV to disclose social security number of registered driver to Dep't of Revenue for purpose of verifying taxpayer identity and to prohibit DMV from using license holder's social security number as identifying number. Provision regarding exemption certificate effective January 1, 2001; other provisions are effective when bill becomes law.

Intro. by Miller, Allen, Gray, Hill, Jarrell, Luebke, Pope, and Tucker.

Ref. to Finance	GS 105, 20
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June 5, 2000

H 1624. STREAMLINED SALES TAX SYSTEM. Intro. 5/18/2000. House committee substitute makes the following changes to 1st edition. Adds provision to proposed GS 105-64.43C(a) to allow retailer to contract with Certified Sales Tax Collector to collect and remit sales and use taxes due to state on sales made by retailer. Repeals GS 105-269.14 which deals with payment of use taxes by individuals using individual income tax return process. Amends GS 105-164.16(d), which deals with use tax due on out-of state purchases, to provide that individual who purchases tangible personal property outside state for non business purpose must file use tax return on annual basis; tax year for that purpose ends on Dec. 31, and return due on date for individual to file income tax return. Amendments to GS 105-269.14 and -164.16 effective for taxable years beginning on or after January 1, 2003.

June 28, 2000

H 1624. STREAMLINED SALES TAX SYSTEM. Intro. 5/17/00. Senate committee substitute makes the following changes to 3rd edition. Provides in proposed GS 105-164.43B that a Certified Sales Tax Collector who contracts with the Secretary of Revenue must file a bond or an irrevocable letter of credit payable to the state. This bond must be conditioned upon compliance with the contract and be in the form required by the Secretary. Provides in proposed GS 105-164.43C that in the absence of fraud, a retailer who contracts with a Certified Sales Tax Collector is not subject to audit by the state on the transactions it processes using the collector's certified sales tax collection program. Adds proposed GS 105-269.13(c), which provides that an assignment to a person of a debt described in subsection (a) is subject to certain collection

restrictions. Allows the Secretary to withhold from revenue collected the amount necessary to obtain assistance in developing a request for proposal for the performance-based contract.