

March 25, 1999

H 616. MODIFY INTANGIBLES REIMBURSEMENT. TO MODIFY THE ANNUAL REIMBURSEMENT TO LOCAL GOVERNMENTS FOR REPEAL OF THE STATE TAX ON INTANGIBLE PERSONAL PROPERTY. Rewrites GS 105-275.2(a), (a1), and (a2) concerning the reimbursement for the repeal of tax on money on deposit, money on hand, and funds with insurance companies; and on accounts receivable, and bonds, stocks, and foreign trust interests. Substitutes a new consolidated "hold-harmless" allocation of funds and a new consolidated "growth" allocation. Amends GS 105-275.2(a) to provide counties with a pool of money equal to the lesser of \$129 million or 2.05% of the net collections of individual income tax receipts for the previous fiscal year. Directs that the Sec'y of Revenue to allocate funds to individual counties in proportion to the total amount allocated to each county under former subsections (a), (a1), and (a2) of GS 105-275.2 in August, 1998. Amends GS 105-275.2(a1) to provide that if the 2.05% of individual income tax receipts for the previous fiscal year exceeds \$129 million, then the Sec'y of Revenue shall allocate the excess among counties as follows: 30% of the excess is allocated equally among the one hundred counties and 70% of the excess is allocated to counties in proportion to the estimated amount of individual income tax paid annually, by county, according to the most recent 12-month period for which data are available. Makes conforming changes. Effective July 1, 1999.

Intro. by Cansler.

Ref. to Finance

GS 105