

June 13, 2002

H 1633. ACCELERATE LOCAL OPTION SALES TAX. TO ACCELERATE THE ADDITIONAL ONE-HALF CENT LOCAL OPTION SALES AND USE TAX. Amends various sections of GS Chapter 105 and of SL 2001-424 to accelerate from July 1, 2003, to August 1, 2002, the earliest allowed effective date for the local option sales tax authorized by SL 2001-424. Specifies notices counties must give the Sec'y of Revenue if the tax is to become effective in 2002. In regard to the 2002-2003 distribution, requires the Sec'y to multiply each local government's local sales tax share by \$309,010,667 and, if the resulting amount is less than 100% of the local government's repealed reimbursement amount, pay the local government the difference, but not less than \$100.

Intro. by Tucker.

Ref. to Finance	GS 105
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July 17, 2002

H 1633. ACCELERATE LOCAL OPTION SALES TAX. Intro. 6/13/02. House committee substitute adopted 7/16/02 makes the following changes to 1st edition. Changes title of bill to read *AN ACT TO ACCELERATE THE ADDITIONAL ONE-HALF CENT LOCAL OPTION SALES AND USE TAX, TO PROVIDE THAT LOCAL REVENUES MAY NOT BE WITHHELD OR IMPOUNDED BY THE GOVERNOR, AND TO MAKE CONFORMING AND TECHNICAL CHANGES.* Changes effective date in GS 105-517(c) from 8/1/02 to 9/1/02. Amends GS 105-520 to provide for allocations and distributions on a quarterly instead of monthly basis and provides for repeal of this change on 7/1/03. Changes the multiplier in amended GS 105-521 from \$309,010,667 to \$278,785,600. Repeals GS 105-521 effective 7/1/12. Effective for taxable years beginning on or after 1/1/02, amends GS 105-269.14(b) to provide that the portion of net use tax proceeds distributed to counties and cities is calculated using a defined fraction multiplier. Also provides for distributions. Amends GS 159-15 to provide that if after July 1 the local government receives additional and unanticipated revenues, the governing body may, before Jan. 1, amend the budget ordinance to reduce the property tax levy to account for the unanticipated revenues. Incorporates H 1490 (3rd edition), introduced 6/30/02, sections pertaining to taxes on beer and wine, franchise, and piped natural gas and sections pertaining to telecommunications and Powell Bill revenues and payments in lieu of taxes by electric power facilities. Provides that for each category of revenue, the distribution is a local revenue, not a state expenditure, and the Governor may not reduce or withhold the distribution. Makes other conforming changes.

July 17, 2002

H 1633. ACCELERATE LOCAL OPTION SALES TAX. Intro. 6/13/02. House amendments make the following changes to 2nd edition changes: (1) provide that retailer is not liable for additional one-half percent tax levied by counties on Sept. 1, 2002, that it fails to collect from purchasers due to inadvertent error during month of Sept. 2002, if retailer can demonstrate to Sec'y of Revenue the reason for error; example of inadvertent error is delay in reprogramming point-of-sale equipment; and (2) modify sec. 15 of bill to provide that county may levy tax by resolution that becomes effective on or before Jan. 1, 2003, by giving at least 48 hours notice of intent to adopt resolution.