

March 12, 2001

H 571. SIMPLIFY TAXES ON TELECOMMUNICATIONS-2. TO SIMPLIFY THE COLLECTION OF TELECOMMUNICATIONS TAXES. Substantially similar to S 268 except clarifies definition of prepaid calling arrangements and requires Dep't of Revenue to include in its report to Revenue Laws Study Committee information on amount of sales tax revenue cities receive from sales tax on prepaid calling arrangements.

Intro. by Allen, Hackney, Pope.

Ref. to Public Utilities	GS 62, 105, 153A, 160A
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April 4, 2001

H 571. SIMPLIFY TAXES ON TELECOMMUNICATIONS. Intro. 3/12/01. House committee substitute makes the following changes to 1st edition. (1) Clarifies wording in new GS 105-164.4(a)(4d) to specify that the sale or recharge of a prepaid calling arrangement is taxed at the general rate regardless of whether tangible personal property is transferred. (2) Revises the provisions for distribution of part of the telecommunications tax to cities in new GS 105-164.44F by (i) changing the amount to be distributed from 12% of the net proceeds of the tax to 24% of the net proceeds reduced by a set amount characterized as one-quarter of the amount by which the distribution to cities of the gross receipts franchise tax on telephone companies was required to be reduced beginning in fiscal 1995-96 as a result of the "freeze deduction," (ii) changing from a per capita distribution basis to a basis that reflects the amount of telephone gross receipts franchise taxes attributed to the city under GS 105-120 (repealed by this bill), and (iii) adding new detail on distributions to cities depending on whether they were incorporated before or after Jan. 1, 2001. (3) Reinstates GS 105-116.1 (which original version of the bill repealed) and revises its provisions to delete provisions related to telephone companies. And (4) deletes provisions from original bill relating to benchmark calculations for distributions of tax receipts to cities.

October 8, 2001

SL 2001-430 (H 571). SIMPLIFY TAXES ON TELECOMMUNICATIONS. AN ACT TO SIMPLIFY THE COLLECTION OF TELECOMMUNICATIONS TAXES. Summarized in *Daily Bulletin* 3/12/01 and 4/4/01. Enacted Oct. 6, 2001. Effective Jan. 1, 2002.