

March 24, 2005

S 1017. RURAL ENHANCEMENT & SUSTAINABILITY ACT. *TO INCREASE THE EXCISE TAX ON CIGARETTES, BEER, WINE, AND LIQUOR AND TO USE A PORTION OF THE INCREASED REVENUES FROM THESE TAXES TO EXEMPT TOBACCO BUYOUT PAYMENTS FROM STATE CORPORATE AND INDIVIDUAL INCOME TAX, TO APPROPRIATE THIRTY MILLION DOLLARS TO THE AGRICULTURAL ADVANCEMENT CONSORTIUM OF THE RURAL ECONOMIC DEVELOPMENT CENTER FOR MARKET RESEARCH AND DEVELOPMENT OF AGRICULTURAL COMMODITIES AND INVESTMENTS IN VALUE-ADDED PRODUCTS AND BUSINESSES, AND TO APPROPRIATE TWENTY-FIVE MILLION DOLLARS TO THE TRUST FUND FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES AND BRIDGE FUNDING NEEDS.* Increases the cigarette tax from 5¢ a pack to 40¢ a pack and adds a tax of 23.8¢ a gallon on beer and 13¢ a liter on wine, all effective July 1, 2005. Adds a tax of 6% on liquor sold in ABC stores, effective August 1, 2005. Proceeds from these taxes credited to General Fund.

Provides an NC income tax exemption for tobacco buyout payments received under the 2004 federal Tobacco Reform Act, beginning with the 2005 tax year. Appropriates \$30 million for each year of the 2005-07 biennium from General Fund to the Rural Economic Development Center's Agricultural Advancement Consortium for "market research and development of agricultural commodities and investments in value-added products and businesses" and appropriates \$35 million for each year of the 2005-07 biennium from General Fund to Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs, established by G.S. 143-15.3D.

Intro. by Nesbitt.

Ref. to Finance

GS 105, APPROP