

March 3, 2005

**S 322. SALES TAX EXEMPTION FOR SCHOOLS.** *TO PROMOTE EFFICIENCY IN GOVERNMENT BY ALLOWING A SALES AND USE TAX EXEMPTION FOR LOCAL GOVERNMENT UNITS RATHER THAN A SALES AND USE TAX REFUND.* Amends GS 105-164.13 to exempt local government units (cities, counties, and local school boards) from sales and use taxes when items are purchased for unit's use either through valid purchase order that contains unit's exemption number or by unit's check, electronic deposit, procurement or credit card, or credit account if the unit provides the retailer with its exemption number. Provides that tax exemption is inapplicable to purchase of electricity and telecommunications services. Establishes procedure for obtaining sales tax exemption number from Dep't of Revenue and provides that unit is liable for tax on items it does not use.

**Intro. by Clodfelter.**

Ref. to Finance

GS 105