

April 17, 2007

H 1565. LOCAL FISCAL MODERNIZATION. Filed 4/17/07. *TO PROVIDE FOR ADDITIONAL LOCAL REVENUE OPTIONS AND TO MAKE OTHER CHANGES THAT PROMOTE FISCAL MODERNIZATION.*

Enacts new Subchapter X, Article 60, of GS Chapter 105, authorizing municipalities and counties to levy a room occupancy tax if approved by the voters of the municipality or county, up to any rate approved by the voters. Provides that if a municipality or county levies a tax under the new article, it loses any existing authority to levy the same tax under a local act. Provides for the levy, administration, collection and repeal of the tax. The provision is effective when the bill becomes law, but an occupancy tax levied under the provision may not become effective before July 1, 2007. Repeals Article 44 of GS Chapter 105 (third one-half cent local government sales and use tax) and any tax levied under the article. Amends GS 105-164.4(a) to increase the sales tax from 4% to 4.5%. Amends GS 108A-54 to remove the county's Medicaid share. Amends GS 105-113.5 to increase the cigarette tax from 35 cents a pack to 75 cents a pack. Amends GS 20-97 to allow cities to levy a municipal vehicle tax of no more than \$20 (was, \$5) a year and provides that the section does not affect the validity of a local act authorizing a city to levy a tax at a rate higher than \$20. Makes conforming changes to GS 105-269.14(b), effective for taxable years beginning on or after January 1, 2008. Effective July 1, 2007, unless otherwise indicated.

Intro. by Carney, Barnhart.

GS 20, 105, 108A