

April 16, 2009

**H 1511. MERCHANT'S DISCOUNT.** Filed 4/16/09. *TO PROVIDE FOR A SALES TAX DISCOUNT FOR MERCHANTS.*

Effective July 1, 2009, reenacts GS 105-164.21 (repealed by SL 1987-622, Section 10) to allow a retailer who pays the retail sales or use tax imposed by Article 5 of GS Chapter 105 to deduct a 1% discount from the amount of tax paid. Authorizes that the Secretary of Revenue may deny a retailer the benefit of this statute for failure to pay the full tax when due or in cases of fraud, evasion or failure to keep accurate and clear records as required. Requires a retailer to deduct the discount when it remits the tax to the Department of Revenue. Prohibits a retailer who sells electricity, telecommunication services, or ancillary services from receiving the discount on sales of electricity, telecommunications services, or ancillary services. Effective January 1, 2010, amends GS 105-164.21 to raise the discount to 2%. Effective January 1, 2011, amends GS 105-164.21 to raise the discount to 3%.

Amends GS 105-474 to make clarifying changes by deleting provisions setting forth specific statutes and provisions applicable to Article 39 of GS Chapter 105 (First One-Cent Local Government Sales and Use Tax) and, instead, states that Article 39 must be administered consistently with Article 5 of GS Chapter 105 to the extent practicable. Specifies that the merchant's discount provided in GS 105-164.21 does not apply to Article 39. Also provides that the remaining provisions of Article 5 and Article 9 of GS Chapter 105 apply to Article 39 to the extent they are consistent.

Amends the first sentence of Section 10 of SL 1967-1096 (Mecklenburg County's 1% sales and use tax), GS 105-187.5(d) (Alternate tax for those who rent or lease motor vehicles), GS 105-187.17 (Scrap Tire Disposal Tax), GS 105-187.22 (White Goods Disposal Tax), and GS 105-187.32 (Dry-cleaning Solvent Tax) to prohibit the application of the merchant's discount provided in GS 105-164.21. Makes other technical changes.

Effective for returns filed on or after July 1, 2009, unless otherwise noted.

**Intro. by Moore.**

GS 105

May 7, 2009

**H 1511. MERCHANT'S DISCOUNT.** Filed 4/16/09. House committee substitute makes the following changes to 1st edition. Clarifies that the remainder of the act is effective when the act becomes law (previous edition only provided specific effective dates for Section 1 and Sections 4 through 9, Section 2, and Section 3).