

March 19, 2009

H 711. SALES TAX FAIRNESS ACT. Filed 3/19/09. *TO PROVIDE FOR THE FAIR TREATMENT OF GOVERNMENTAL ENTITIES BY REENACTING THE SALES AND USE TAX REFUND FOR LOCAL SCHOOL ADMINISTRATIVE UNITS AND FOR SCHOOL FOOD SERVICE AGENCIES.*

Reenacts GS 105-164.14(c)(2b) and (2c), repealed by Section 7.51(a) of SL 2005-276, to allow an annual refund of sales and use tax paid by schools on direct purchases of tangible personal property and services, other than electricity, telecommunications service, and ancillary service. Repeals GS 105-164.44H, which requires the Secretary of Revenue to transfer, at the end of each quarter from the state sales and use tax net collections received by the Department of Revenue under Article 5 of GS Chapter 105, to the State Treasurer for the State Public School Fund one-fourth of the amount transferred the preceding fiscal year plus or minus the percentage of that amount by which the total collection of state sales and use taxes increased or decreased during the preceding fiscal year. Amends GS 105-467 by making a conforming change that deletes: (1) the provision that a local school administrative unit and a joint agency created by interlocal agreement among local school units to jointly purchase food service related materials, supplies, and equipment on their behalf is allowed an annual refund of sales and use taxes paid by it on direct purchases of tangible personal property and services, other than electricity, telecommunications service, and ancillary service and (2) related provisions. Effective for purchases made on or after July 1, 2009.

Intro. by Wilkins.

GS 105