



**FAILED**

NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
House Bill 950

AMENDMENT NO. 10  
(to be filled in by  
Principal Clerk)

H950-AMCx-48 [v.3]

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Comm. Sub. [YES]  
Amends Title [NO]  
Fourth Edition

Date June 14, 2012

Senator Rucho

*32-33 RR*

1 moves to amend the bill on page 163, lines 12-13, by inserting between those lines the  
2 following language to read:

3 **"PART XXVI-A. TAX PROVISIONS**

4

5 **RAISE SALES TAX IN LINE WITH GOVERNOR'S BUDGET**

6 **SECTION 26A.1.(a).** The introductory language of G.S. 105-164.4(a) reads as  
7 rewritten:

8 "(a) A privilege tax is imposed on a retailer at the following percentage rates of the  
9 retailer's net taxable sales or gross receipts, as appropriate. The general rate of tax is ~~four and~~  
10 ~~three-quarters percent (4.75%)~~ five and one-half percent (5.5%)."

11 **SECTION 26A.1.(b).** G.S. 105-164.44F(a) reads as rewritten:

12 "(a) Amount. - The Secretary must distribute part of the taxes imposed by  
13 G.S. 105-164.4(a)(4c) on telecommunications service and ancillary service. The Secretary must  
14 make the distribution within 75 days after the end of each calendar quarter. The amount the  
15 Secretary must distribute is the following percentages of the net proceeds of the taxes collected  
16 during the quarter:

17 (1) ~~Eighteen and seventy one hundredths percent (18.70%)~~ Sixteen and eighty-  
18 nine hundredths percent (16.89%) minus two million six hundred twenty  
19 thousand nine hundred forty-eight dollars (\$2,620,948), must be distributed  
20 to cities in accordance with this section. The deduction is one-fourth of the  
21 annual amount by which the distribution to cities of the gross receipts  
22 franchise tax on telephone companies, imposed by former G.S. 105-20, was  
23 required to be reduced beginning in fiscal year 1995-96 as a result of the  
24 "freeze deduction."

25 (2) ~~Seven and seven-tenths percent (7.7%)~~ Six and ninety-five hundredths  
26 percent (6.95%) must be distributed to counties and cities as provided in  
27 G.S. 105-164.44I."

28 **SECTION 26A.1.(c).** G.S. 105-164.44I(a) reads as rewritten:

29 "(a) Distribution. - The Secretary must distribute to the counties and cities part of the  
30 taxes imposed by G.S. 105-164.4(a)(4c) on telecommunications service and  
31 G.S. 105-164.4(a)(6) on video programming service. The Secretary must make the distribution  
32 within 75 days after the end of each calendar quarter. The amount the Secretary must distribute



\* H 9 5 0 - A M C X - 4 8 - V - 3 \*

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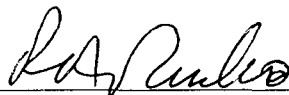
1 is the sum of the revenue listed in this subsection. The Secretary must distribute two million  
2 dollars (\$2,000,000) of this amount in accordance with subsection (b) of this section and the  
3 remainder in accordance with subsections (c) and (d) of this section. The revenue to be  
4 distributed under this section consists of the following:

- 5 (1) The amount specified in G.S. 105-164.44F(a)(2).  
6 (2) ~~Twenty three and six tenths percent (23.6%)~~ Twenty-one and thirty-two  
7 hundredths percent (21.32%) of the net proceeds of the taxes collected  
8 during the quarter on video programming, other than on direct-to-home  
9 satellite service.  
10 (3) ~~Thirty seven and one tenths percent (37.1%)~~ Thirty-three and fifty-one  
11 hundredths percent (33.51%) of the net proceeds of the taxes collected  
12 during the quarter on direct-to-home satellite service."

13 **SECTION 26A.1.(d).** This section does not apply to construction materials  
14 purchased to fulfill a lump-sum or unit-price contract entered into or awarded before the  
15 effective date of the increase or entered into or awarded pursuant to a bid made before the  
16 effective date of the increase when the construction materials would otherwise be subject to the  
17 increased rate of tax provided in this section.

18 **SECTION 26A.1.(e).** This section becomes effective July 1, 2012. Subsection (a)  
19 applies to sales made on or after July 1, 2012, and subsections (b) and (c) apply to distributions  
20 for months beginning on or after July 1, 2012. This section does not affect the rights or  
21 liabilities of the State, a taxpayer, or another person arising under a statute amended or repealed  
22 by this section before the effective date of its amendment or repeal; nor does it affect the right  
23 to any refund or credit of a tax that accrued under the amended or repealed statute before the  
24 effective date of its amendment or repeal."

SIGNED \_\_\_\_\_



Amendment Sponsor

SIGNED \_\_\_\_\_

Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_

FAILED 0-49

TABLED \_\_\_\_\_

*Sarah Clapp*  
6.14.12

**FAILED**