

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2163

Short Title: Raise Beer & Cigarette Tax.

(Public)

Sponsors: Representatives Barnes; Stamey and Fitch.

Referred to: Finance.

May 29, 1990

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE EXCISE TAXES ON BEER AND CIGARETTES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-113.80(a) reads as rewritten:

"(a) Beer. – An excise tax is levied on the sale of malt beverages at the rate of:

(1) ~~Forty-eight and three hundred eighty-seven one thousandths cents (48.387¢)~~ Fifty-nine and six one-hundredths cents (59.06¢) per gallon on malt beverages in barrels holding at least seven and three-fourths gallons; and

(2) ~~Fifty-three and three hundred seventy-six one thousandths cents (53.376¢)~~ Sixty-four and five one-hundredths cents (64.05¢) per gallon on malt beverages in cans, bottles, barrels, or other containers holding less than seven and three-fourths gallons."

Sec. 2. G.S. 105-113.82(a) and the catch line of G.S. 105-113.82 read as rewritten:

"§ 105-113.82. Distribution of part of beer and wine taxes to local governments.

(a) Amount, Method. – The Secretary shall annually distribute the following percentages of the net amount of excise taxes collected on the sale of malt beverages and wine, less the amount of the net proceeds distributed under G.S. 105-113.81A, to the counties and cities in which the retail sale of these beverages is authorized:

(1) Of the tax on malt beverages levied under G.S. 105-113.80(a), ~~twenty-three and three fourths percent (23 3/4%)~~; nineteen and eight-tenths percent (19.8%);

- 1 (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), sixty-
2 two percent (62%); and
3 (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), twenty-
4 two percent (22%).

5 If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at
6 retail in both a county and a city located in the county, both the county and city shall
7 receive a portion of the amount of excise tax to be distributed, that portion to be
8 determined on the basis of population. If one of these beverages may be licensed to be
9 sold at retail in a city located in a county in which the sale of the beverage is otherwise
10 prohibited, only the city shall receive a portion of the amount of excise tax to be
11 distributed, that portion to be determined on the basis of population. The amounts to be
12 distributed under subdivisions (1), (2), and (3) shall be computed separately."

13 Sec. 3. G.S. 105-113.5 reads as rewritten:

14 "**§ 105-113.5. Privilege tax levied.**

15 In addition to all other taxes and fees, a tax is hereby levied upon the sale or
16 possession for sale within this State, by distributors, of all cigarettes at the rate of one
17 and one-quarter mill per individual cigarette.

18 The tax hereby levied shall not apply to free distribution of sample cigarettes in
19 packages containing five or fewer cigarettes nor to any package of cigarettes
20 customarily donated free of charge by manufacturers of cigarettes to employees in
21 factories where cigarettes are manufactured in this State where such packages of
22 cigarettes are not taxed by the federal government."

23 Sec. 4. This act shall become effective July 1, 1990.