

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 1016

Short Title: Stock Broker Privilege License Tax.

(Public)

Sponsors: Senators Winner, Carter, Plexico, Seymour, and Staton.

Referred to: Finance.

May 28, 1992

A BILL TO BE ENTITLED

1 AN ACT TO CONVERT THE SECURITY DEALER PRIVILEGE LICENSE TAX
2 FROM A TAX BASED ON THE NUMBER OF OFFICES FROM WHICH
3 SECURITIES ARE SOLD TO A TAX ON EACH INDIVIDUAL WHO SELLS
4 SECURITIES, THEREBY TREATING SELLERS OF SECURITIES THE SAME
5 AS OTHER PROFESSIONALS.
6

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 105-41(a) reads as rewritten:

9 "(a) Every practicing attorney-at-law, practicing physician, ~~veterinary,~~
10 veterinarian, surgeon, osteopath, chiropractor, chiropodist, dentist, oculist, optician, or
11 optometrist, any person practicing any professional art of healing for a fee or reward,
12 every practicing professional engineer as defined in Chapter 89C of the General
13 Statutes, every practicing land surveyor as defined in Chapter 89C of the General
14 Statutes, every securities dealer, as defined in G.S. 78A-2, who is an individual and
15 every securities salesman as defined in G.S. 78A-2, every architect and landscape
16 architect, photographer, canvasser for any photographer, agent of a photographer in
17 transmitting pictures or photographs to be copied, ~~enlarged or colored enlarged,~~ or
18 colored, ~~(including all persons enumerated in this section employed by the State, county,~~
19 ~~municipality, a corporation, firm or individual),~~ and every person, whether acting as an
20 individual, as a member of a partnership, or as an officer ~~and/or or~~ agent of a
21 corporation, who is engaged in the business of selling or offering ~~for sale, to sell real~~
22 estate, buying or offering to buy, buy real estate, negotiating the purchase, sale, or
23 exchange of real estate, ~~or who is engaged in the business of leasing or offering to lease,~~
24 lease real estate, renting or offering to rent, or of rent real estate, collecting any rents as

1 agent for another for compensation, or ~~who is engaged in the business of soliciting and/or~~
2 ~~or negotiating loans on real estate as agent for another for a commission, brokerage~~
3 ~~and/or brokerage, or other compensation, compensation shall apply for and obtain from~~
4 the Secretary of Revenue a statewide license for the privilege of engaging in such
5 ~~business or profession, or the doing of the act named, the profession, business, or act and~~
6 shall pay for such license a tax of fifty dollars ~~(\$50.00);~~ (\$50.00) for the license. Provided,
7 that no professional man or woman shall be required to pay a privilege tax after he or
8 she has arrived at the age of 75 years. Further provided, that it

9 It shall be unlawful for a nonresident of this State to engage in the real estate
10 business in this State, as defined in this section, unless the State of residence of such
11 person will permit a resident of this State to engage in such business. Any person who
12 shall engage in the real estate business in this State in violation of the terms of this
13 provision shall be guilty of a misdemeanor and shall be punished in the discretion of the
14 court; and further provided, that the obtaining of a real estate dealer's license by such
15 person shall not authorize such nonresident to engage in the real estate business in this
16 State, and provided further that in all prosecutions under this section, a certificate under
17 the hand and seal of the Secretary of Revenue that the accused filed no income tax
18 returns with his department the Department of Revenue for the preceding taxable year
19 shall be prima facie evidence that the accused is a nonresident and that his the accused's
20 license is void."

21 Sec. 2. G.S. 105-67 is repealed.

22 Sec. 3. G.S. 105-83 reads as rewritten:

23 **"§ 105-83. Installment paper dealers.**

24 (a) ~~Every person, firm, or corporation, foreign or domestic, person engaged in the~~
25 ~~business of dealing in, buying, and/or or discounting installment paper, notes, bonds,~~
26 ~~contracts, or evidences of debt and/or other securities, debt, where at the time of or in~~
27 ~~connection with the execution of said instruments, a lien is reserved or taken upon~~
28 ~~personal property located in this State to secure the payment of such obligations, shall~~
29 ~~apply for and obtain from the Secretary of Revenue a State license for the privilege of~~
30 ~~engaging in such business or for the purchasing of such obligations in this State, and~~
31 ~~shall pay for such license an annual tax of one hundred dollars (\$100.00).~~

32 (b) In addition to obtaining a State license from the Secretary, each person
33 subject to the tax levied in subsection (a) of this section, such person, firm, or corporation
34 shall submit to the Revenue Secretary quarterly no later than the twentieth day of
35 January, April, July, and October of each year, upon forms prescribed by the said
36 Secretary, a full, accurate, and complete statement, verified by the officer, agent, or
37 person making such the statement, of the total face value of the installment paper, notes,
38 bonds, contracts, and evidences of debt, and/or other securities described in this section debt
39 dealt in, bought and/or bought, or discounted within the preceding three calendar months
40 and, at the same time, shall pay a tax of two hundred and seventy-five thousandths of
41 one percent (.275%) of the face value of such obligations dealt in, bought and/or discounted
42 for such period these obligations.

43 (c) ~~If any person, firm, or corporation, foreign or domestic, shall deal person~~
44 ~~deals in, buy and/or discount buys, or discounts any such paper, notes, bonds, contracts,~~

1 ~~evidences of debt and/or other securities obligations~~ described in this section without
2 ~~applying for and obtaining a the~~ license for the ~~privilege of engaging in such business of~~
3 ~~dealing in such obligations, or shall fail, refuse, or neglect to pay the taxes levied in this~~
4 ~~section, such obligation shall not be recoverable or the collection thereof enforceable at~~
5 ~~law or by suit in equity in any of the courts of this State until and when the license taxes~~
6 ~~prescribed in this section have been paid, together with any and all penalties prescribed~~
7 ~~in this Article for the nonpayment of taxes.~~ required by this section or paying a tax
8 imposed by this section, the person may not bring an action in a State court to enforce
9 collection of an obligation dealt in, bought, or discounted during the period of
10 noncompliance with this section until the person obtains the license and pays the
11 amount of tax, penalties, and interest due.

12 (d) This section does not apply to corporations liable for the tax levied under
13 G.S. 105-102.3.

14 (e) Counties, ~~eties~~ cities, and towns shall not levy any license tax on the business
15 taxed under this section."

16 Sec. 4. This act becomes effective July 1, 1992.