

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 785

Short Title: Jackson Local Sales Tax.

(Local)

Sponsors: Representatives Haire; and Ramsey.

Referred to: Rules, Calendar and Operations of the House.

April 1, 1999

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE JACKSON COUNTY TO LEVY A ONE-CENT LOCAL SALES TAX, IF APPROVED BY THE VOTERS OF THE COUNTY.

The General Assembly of North Carolina enacts:

Section 1. This act applies only to Jackson County.

Section 2. Subchapter VIII of Chapter 105 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 44.

"SECOND ONE-CENT (1¢) LOCAL GOVERNMENT SALES AND USE TAX.

"§ 105-515. Short title.

This Article is the Second One-Cent (1¢) Local Government Sales and Use Tax Act.

"§ 105-516. Purpose.

This Article gives the counties of this State an opportunity to obtain a source of revenue with which to meet their growing financial needs. It provides all counties of the State that are subject to this Article with authority to levy one percent (1%) sales and use taxes.

"§ 105-517. Limitations.

This Article applies only to counties that levy the first one-cent (1¢) sales and use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the

1 first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the
2 second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter.

3 **"§ 105-518. County election on adoption of tax.**

4 (a) Resolution. – The board of commissioners of a county may, by resolution, after
5 10 days' public notice and a public hearing on the question, direct the county board of
6 elections to conduct a special election on the question of whether a local sales and use tax
7 at the rate of one percent (1%) will be levied in accordance with this Article. The
8 election must be on a date jointly agreed upon by the two boards and must be held in
9 accordance with the procedures of G.S. 163-287.

10 (b) Ballot Question. – The question to be presented on a ballot for a special
11 election concerning the levy of the taxes authorized by this Article must be in the
12 following form:

13 **'[] FOR [] AGAINST**

14 one percent (1%) local sales and use taxes, in addition to the current two percent (2%)
15 local sales and use taxes.'

16 If the majority of those voting in a special election held pursuant to this Article vote
17 for the levy of the tax, the board of commissioners of the county may, by resolution, levy
18 one percent (1%) local sales and use taxes in addition to any other State and local sales
19 and use taxes levied pursuant to law. Except as provided in this Article, the adoption,
20 levy, collection, administration, and repeal of these additional taxes shall be in
21 accordance with Article 39 of this Chapter.

22 A tax levied under this Article does not apply to the sales price of food that is not
23 otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the
24 State sales and use tax pursuant to G.S. 105-164.13 if it were purchased under the Food
25 Stamp Program, 7 U.S.C. § 51.

26 **"§ 105-520. Distribution and use of tax.**

27 (a) Distribution. – The Secretary must, on a quarterly basis, distribute to each
28 taxing county the net proceeds of the tax levied under this Article by that county. If the
29 Secretary collects taxes under this Article in a month and the taxes cannot be identified as
30 being attributable to a particular taxing county, the Secretary must allocate these taxes
31 among the taxing counties in proportion to the amount of taxes collected in each county
32 under this Article in that month and must include them in the quarterly distribution.

33 (b) Use. – A county may use the proceeds of a tax levied under this Article for any
34 public purpose."

35 Section 3. This act is effective when it becomes law.

36 Section 4. A tax levied under Article 44 of Chapter 105 of the General
37 Statutes, as enacted by this act, does not apply to construction materials purchased to
38 fulfill a lump-sum or unit-price contract entered into or awarded before the effective date
39 of the levy or entered into or awarded pursuant to a bid made before the effective date of
40 the levy when the construction materials would otherwise be subject to the tax levied
41 under Article 44 of Chapter 105 of the General Statutes.