

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 588

Short Title: Revenue Sharing for Schools.

(Public)

Sponsors: Senator Hartsell.

Referred to: Finance.

March 29, 1999

A BILL TO BE ENTITLED

AN ACT TO EARMARK ONE CENT OF THE STATE'S FOUR CENTS' SALES TAX
FOR COUNTIES FOR PUBLIC SCHOOL CAPITAL OUTLAY.

The General Assembly of North Carolina enacts:

Section 1. Article 5 of Chapter 105 of the General Statutes is amended by
adding a new section to read:

"§ 105-164.44E. Tax sharing with counties.

(a) Distribution. – The Secretary shall distribute to the counties of the State each
year approximately one-fourth of the net proceeds of the State's tax levied under this
Article at the general rate of tax. The annual distribution amount shall be divided into
four equal installments, paid quarterly. Each quarter, the Secretary shall remit an
installment to counties as follows:

(1) One-half of the installment shall be distributed among the counties on a
per capita basis according to the most recent annual population
estimates certified to the Secretary by the State Planning Officer.

(2) The remaining one-half of the installment shall be distributed among the
counties in proportion to the amount allocated to each county for that
quarter under G.S. 105-472(a) or Chapter 1096 of the 1967 Session
Laws, as applicable.

1 (b) Source. – The Secretary shall draw the State funds to be distributed from
2 collections under this Article.

3 (c) Use. – A county may use the funds distributed to it under this section only for
4 public school capital outlay purposes as defined in G.S. 115C-426(f) or to retire any
5 indebtedness incurred by the county for these purposes."

6 Section 2. G.S. 105-472(a) reads as rewritten:

7 "(a) County Allocation. – The Secretary shall, on a quarterly basis, allocate to each
8 taxing county for which the Secretary collects the tax the net proceeds of the tax collected
9 in that county under this Article. For the purpose of this section, 'net proceeds' means the
10 gross proceeds of the tax collected in each county under this Article less taxes refunded,
11 the cost to the State of collecting and administering the tax in the county as determined
12 by the Secretary, the cost to the State of administering the distribution under G.S. 105-
13 164.44E, and other deductions that may be charged to the county. If the Secretary
14 collects local sales or use taxes in a month and the taxes cannot be identified as being
15 attributable to a particular taxing county, the Secretary shall allocate the taxes among the
16 taxing counties in proportion to the amount of taxes collected in each county under this
17 Article during that month and shall include them in the quarterly distribution."

18 Section 3. This act becomes effective July 1, 1999.