

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: H.B. 56 (Third Edition)

SHORT TITLE: Eliminate Stamps for Deed Tax

SPONSOR(S): Rep. Dewey Hill

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES			insignificant loss – less than \$500		
EXPENDITURES					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Corporate, Excise and Insurance Division, Department of Revenue, County Register of Deeds Offices.					
EFFECTIVE DATE: Section 1 becomes effective July 1, 2000. The remainder becomes effective when it becomes law.					

BILL SUMMARY: The bill eliminates the use of Department of Revenue produced tax stamps in payment of the conveyance tax. This tax is also known as the excise tax on deeds. Under the bill, the taxes would still be due, but the counties would be responsible for supplying the materials to record the tax stamp. The bill also clarifies that the same penalties that apply to other taxes apply to the deed tax.

ASSUMPTIONS AND METHODOLOGY: According to the Department of Revenue, only 12 counties have purchased stamps from the Department in the last two years. However, because these purchases are made in mass quantities, the actual number of counties still using such a stamp may be higher. Based on information provided by the Register of Deeds Association members and key vendors, the Department of Revenue and Fiscal Research estimate that approximately 15-20 counties may be without a computerized stamp system. As such, as many as 15-20 counties may be dependent on the Department for deed stamps. Under the bill, these counties would now be responsible for obtaining their own stamps.

Approximately 80 to 85 counties already obtain their stamps, or some alternative, through other means. Most of these counties purchase or rent special computer equipment. Some of the largest counties have their deed stamp system integrated into a larger county government computer system.

No estimates are available at this time for potential cost savings to the Department. They are expected to be insignificant. Also, no reliable estimates are available for potential loss revenue from the lack of stamp sales. However, the Department expects the revenue loss to be less than \$500.

FISCAL RESEARCH DIVISION 733-4910

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DATE: Wednesday, April 07, 1999



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