GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

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HOUSE BILL 1591

Short Title:	Mental Health Revenue.	(Public)
Sponsors:	Representatives M. Crawford; and Insko.	
Referred to:	Finance.	

June 10, 2002

A BILL TO BE ENTITLED

AN ACT TO AUGMENT STATE REVENUES TO DIRECTLY SUPPORT MENTAL HEALTH FUNDING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-113.5 reads as rewritten:

"**§ 105-113.5. Tax on cigarettes.**

(a) A tax is levied on the sale or possession for sale in this State, by a distributor, of all cigarettes at the rate of ~~two and one-half mills~~ one and one-half cents (1 1/2¢) per individual cigarette.

This tax does not apply to any of the following:

(1) Sample cigarettes distributed without charge in packages containing five or fewer cigarettes.

(2) Cigarettes in a package of cigarettes given without charge by the manufacturer of the cigarettes to an employee of the manufacturer who works in a factory where cigarettes are made, if the cigarettes are not taxed by the federal government.

(b) The Secretary shall quarterly credit to the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs in the Office of State Budget and Management the estimated amount of net proceeds of the tax levied under this section during the previous quarter attributable to the additional one and one-fourth cent (1 1/4¢) increase in the tax rate enacted in 2002."

SECTION 2. This act becomes effective July 1, 2002.