

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE BILL 537  
Finance Committee Substitute Adopted 5/26/05

Short Title: Allow Payment of Tax by Offset.

(Public)

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Sponsors:

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Referred to:

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March 15, 2005

A BILL TO BE ENTITLED

1 AN ACT TO ALLOW THE PAYMENT OF TAXES IN LIMITED  
2 CIRCUMSTANCES BY OFFSET OF AN OBLIGATION OWED TO THE  
3 TAXPAYER BY THE TAXING UNIT.  
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-357(a) reads as rewritten:

7 "(a) Medium of Payment. – Taxes shall be payable in existing national currency.  
8 Deeds to real property, notes of the taxpayer or others, bonds or notes of the taxing unit,  
9 and payments in kind shall not be accepted in payment of taxes, ~~nor shall any taxes.~~ A  
10 taxing unit may not permit the payment of taxes by offset of any bill, claim, judgment,  
11 or other obligation owed to the taxpayer by the taxing unit. The prohibition against  
12 payment of taxes by offset does not apply to offset of an obligation arising from a lease  
13 or another contract entered into between the taxpayer and the taxing unit before July 1  
14 of the fiscal year for which the unpaid taxes were levied."

15 **SECTION 2.** This act is effective when it becomes law.