

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**SESSION LAW 2007-527  
SENATE BILL 540**

AN ACT TO MAKE TECHNICAL, CLARIFYING, AND ADMINISTRATIVE  
CHANGES TO THE REVENUE LAWS, MOTOR FUELS TAX LAWS, AND  
RELATED STATUTES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 53B-4(2) reads as rewritten:

"(2) Authorization under G.S. ~~105-251, 105-251.1, 105-251~~ or G.S. 105-258."

**SECTION 2.** G.S. 105-40(7a) reads as rewritten:

"(7a) All exhibitions, performances, and entertainments promoted and managed by 'a nonprofit arts organization.' ~~organization' that is exempt from income tax under G.S. 105-130.11(a)(3).~~ This exemption does not apply to athletic events. A 'nonprofit arts organization' is an organization that meets both of the following requirements:

- a. It is exempt from income tax under G.S. 105-130.11(a)(3).
- b. Its primary purpose is to offer choral and theatrical performances."

**SECTION 3.(a)** G.S. 105-40(10) reads as rewritten:

"(10) Arts festivals held by a person that is exempt from income tax under Article 4 of this Chapter and that meets the following conditions:

- a. The person holds no more than two arts festivals during a calendar year.
- b. Each of the person's arts festivals last no more than seven consecutive days.
- c. The arts festivals are held outdoors on public property and involve a variety of exhibitions, entertainments, and activities."

**SECTION 3.(b)** G.S. 105-40(11) reads as rewritten:

"(11) Community festivals held by a person who is exempt from income tax under Article 4 of this Chapter and that meets all of the following conditions:

- a. The person holds no more than one community festival during a calendar year.
- b. The community festival lasts no more than seven consecutive days.
- c. The community festival involves a variety of exhibitions, entertainments, and activities, the majority of which are held outdoors and are open to the public."

**SECTION 4.** G.S. 105-113.82(a) reads as rewritten:

"(a) Amount, Method. – The Secretary shall distribute annually the following percentages of the net amount of excise taxes collected on the sale of malt beverages and wine during the preceding 12-month period ending March 31, ~~less the amount of the net proceeds credited to the Department of Commerce under G.S. 105-113.81A, 31~~ to the counties ~~and~~ or cities in which the retail sale of these beverages is authorized in the entire county or city:

- (1) Of the tax on malt beverages levied under G.S. 105-113.80(a), twenty-three and three-fourths percent (23<sup>3</sup>/<sub>4</sub>%);
- (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), sixty-two percent (62%); and
- (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), twenty-two percent (22%).

For purposes of this subsection, 'net amount' means gross collections less refunds and amounts credited to the Department of Commerce under G.S. 105-113.81A. If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at retail in both a county and a city located in the county, both the county and city shall receive a portion of the amount distributed, that portion to be determined on the basis of population. If one of these beverages may be licensed to be sold at retail in a city located in a county in which the sale of the beverage is otherwise prohibited, only the city shall receive a portion of the amount distributed, that portion to be determined on the basis of population. The amounts distributed under subdivisions (1), (2), and (3) shall be computed separately."

**SECTION 5.** G.S. 105-129.16E(b) reads as rewritten:

"(b) Allocation. – If the taxpayer is an individual who is a nonresident or a part-year resident, the taxpayer must reduce the amount of the credit by multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as appropriate. If the taxpayer is not an individual and is required to apportion its multistate business income to this State, the taxpayer must reduce the amount of the credit by multiplying it by the apportionment fraction used to apportion its ~~business~~ apportionable income to this State."

**SECTION 6.** G.S. 105-129.87(b) reads as rewritten:

"(b) Threshold. – The applicable threshold is the appropriate amount set out in the following table based on the development tier designation of the county where the new jobs are created during the taxable year. If the taxpayer creates new jobs at more than one eligible establishment in a county during the taxable year, the threshold applies to the aggregate number of new jobs created at all eligible establishments within the county during that year. If the taxpayer creates new jobs at eligible establishments in different counties during the taxable year, the threshold applies separately to the aggregate number of new jobs created at eligible establishments in each county. If the taxpayer creates new jobs in an urban progress zone or an agrarian growth zone, the applicable threshold is the one for a development tier one area. New jobs created in an urban progress zone or an agrarian growth zone are not aggregated with jobs created at any other eligible establishments regardless of county.

Area Development Tier	Threshold
Tier One	5
Tier Two	10
Tier Three	15"

**SECTION 7.** G.S. 105-129.88(c) reads as rewritten:

"(c) Threshold. – The applicable threshold is the appropriate amount set out in the following table based on the development tier where the eligible business property is placed in service during the taxable year. If the taxpayer places business property in service in an urban progress zone or an agrarian growth zone, the applicable threshold is the one for a development tier one area. Business property placed in service in an urban progress zone or an agrarian growth zone is not aggregated with business property placed in service at any other eligible establishments regardless of county. If the taxpayer places eligible business property in service at more than one establishment in a county during the taxable year, the threshold applies to the aggregate amount of eligible business property placed in service during the taxable year at all establishments in the county. If the taxpayer places eligible business property in service at establishments in different counties, the threshold applies separately to the aggregate amount of eligible business property placed in service in each county. If the taxpayer places eligible

~~machinery and equipment~~ business property in service at an establishment over the course of a two-year period, the applicable threshold for the second taxable year is reduced by the eligible investment amount for the previous taxable year.

<b>Area Development Tier</b>	<b>Threshold</b>
Tier One	\$ -0-
Tier Two	1,000,000
Tier Three	2,000,000"

**SECTION 8.** G.S. 105-129.88(e) reads as rewritten:

"(e) Transferred Property. – If, in one of the four years in which the installment of a credit accrues, the business property with respect to which the credit was claimed is moved to a county in a higher-numbered development tier or ~~to out of~~ an urban progress zone or an agrarian growth zone, the remaining installments of the credit are allowed only to the extent they would have been allowed if the business property had been placed in service initially in the area to which it was moved. If, in one of the four years in which the installment of a credit accrues, the business property with respect to which a credit was claimed is moved to a county in a lower-numbered development tier or an urban progress zone or an agrarian growth zone, the remaining installments of the credit shall be calculated as if the business property had been placed in service initially in the area to which it was moved."

**SECTION 9.(a)** G.S. 105-130.48(e) reads as rewritten:

"(e) Documentation of Credit. – ~~To~~ Upon request, to support the credit allowed by this section, the taxpayer must file with its income tax return, for the taxable year in which the credit is claimed, a certification by the Department of Environment and Natural Resources stating the number of bushels of oyster shells donated by the taxpayer."

**SECTION 9.(b)** G.S. 105-151.30(d) reads as rewritten:

"(d) Documentation of Credit. – ~~To~~ Upon request, to support the credit allowed by this section, the taxpayer must file with its income tax return, for the taxable year in which the credit is claimed, a certification by the Department of Environment and Natural Resources stating the number of bushels of oyster shells donated by the taxpayer."

**SECTION 10.** G.S. 105-164.13(52) reads as rewritten:

"(52) Items subject to sales and use tax under G.S. 105-164.4, other than ~~electricity and electricity~~, telecommunications service, and ancillary service as defined in G.S. 105-164.4, if all of the following conditions are met:

~~(a)~~ a. The items are purchased by a State agency for its own use and in accordance with G.S. 105-164.29A.

~~(b)~~ b. The items are purchased pursuant to a valid purchase order issued by the State agency that contains the exemption number of the agency and a description of the property purchased, or the items purchased are paid for with a State-issued check, electronic deposit, credit card, procurement card, or credit account of the State agency.

~~(c)~~ c. For all purchases other than by an agency-issued purchase order, the agency must provide to or have on file with the retailer the agency's exemption number."

**SECTION 11.** G.S. 105-164.16(b1) reads as rewritten:

"(b1) Monthly. – A taxpayer who is consistently liable for ~~more than~~ at least one hundred dollars (\$100.00) but less than ten thousand dollars (\$10,000) a month in State and local sales and use taxes must file a return and pay the taxes due on a monthly basis. A monthly return is due by the 20th day of the month following the calendar month covered by the return."

**SECTION 12.** G.S. 105-164.16(d) reads as rewritten:

"(d) Use Tax on Out-of-State Purchases. – Use tax payable by an individual who purchases tangible personal ~~property~~property, excluding purchases of boats and aircraft, outside the State for a nonbusiness purpose is due on an annual basis. For an individual who is not required to file an individual income tax return under Part 2 of Article 4 of this Chapter, the annual reporting period ends on the last day of the calendar year and a use tax return is due by the following April 15. For an individual who is required to file an individual income tax return, the annual reporting period ends on the last day of the individual's income tax year, and the use tax must be paid on the income tax return as provided in G.S. 105-269.14."

**SECTION 13.(a)** G.S. 105-187.51B reads as rewritten:

**"§ 105-187.51B. Tax imposed on certain recyclers and research and development companies.**

(a) Tax. – A privilege tax is imposed on the following:

- (1) A major recycling facility that purchases any of the following tangible personal property for use in connection with the facility:
  - a. Cranes, structural steel crane support systems, and foundations related to the cranes and support systems.
  - b. Port and dock facilities.
  - c. Rail equipment.
  - d. Material handling equipment.
- (2) A research and development company in the physical, engineering, and life sciences that is included in industry 54171 of NAICS and that purchases equipment or an attachment or repair part for equipment that meets all of the following requirements:
  - a. Is capitalized by the company for tax purposes under the Code.
  - b. Is used by the company in the research and development of tangible personal property.
  - c. Would be considered mill machinery or mill machinery parts or accessories under G.S. 105-187.51 if it were purchased by a manufacturing industry or plant and used in the research and development of tangible personal property manufactured by the industry or plant.

(b) Rate. – The tax is one percent (1%) of the sales price of the equipment or other tangible personal property. The maximum tax is eighty dollars (\$80.00) per article."

**SECTION 13.(b)** This section becomes effective July 1, 2007.

**SECTION 14.** G.S. 105-187.52 reads as rewritten:

**"§ 105-187.52. Administration.**

(a) Administration. – The privilege taxes imposed by this Article are in addition to the State use tax. Except as otherwise provided in this Article, the collection and administration of these taxes is the same as the State use tax imposed by Article 5 of this Chapter.

(b) Credit. – A credit is allowed against the tax imposed by this Article for the amount of a sales or use tax, privilege or excise tax, or substantially equivalent tax paid to another state. The credit allowed by this subsection does not apply to tax paid to another state that does not grant a similar credit for the privilege tax paid in North Carolina.

(c) Exemption. – State agencies are exempted from the privilege taxes imposed by this Article."

**SECTION 15.** G.S. 105-258(a) reads as rewritten:

"(a) Secretary May Examine Data and Summon Persons. The Secretary of Revenue, for the purpose of ascertaining the correctness of any return, making a return where none has been made, or determining the liability of any person for ~~any tax imposed by this Subchapter, a tax~~, or collecting any such tax, shall have the power to examine, personally, or by an agent designated by him, any books, papers, records, or

other data which may be relevant or material to such inquiry, and the Secretary may summon the person liable for the tax or required to perform the act, or any officer or employee of such person, or any person having possession, custody, care or control of books of account containing entries relevant or material to the income and expenditures of the person liable for the tax or required to perform the act, or any other person having knowledge in the premises, to appear before the Secretary, or his agent, at a time and place named in the summons, and to produce such books, papers, records or other data, and to give such testimony under oath as may be relevant or material to such inquiry, and the Secretary or his agent may administer oaths to such person or persons. If any person so summoned refuses to obey such summons or to give testimony when summoned, the Secretary may apply to the Superior Court of Wake County for an order requiring such person or persons to comply with the summons of the Secretary, and the failure to comply with such court order shall be punished as for contempt."

**SECTION 16.(a)** G.S. 105-449.52 reads as rewritten:

"§ 105-449.52. **Civil penalties applicable to motor carriers.**

(a) Penalty. – A motor carrier who does any of the following is subject to a civil penalty:

- (1) Operates in this State or causes to be operated in this State a motor vehicle that either fails to carry the registration card required by this Article or fails to display an identification marker in accordance with this Article. The amount of the penalty is one hundred dollars (\$100.00).
- (2) Is unable to account for identification markers the Secretary issues the motor carrier, as required by G.S. 105-449.47. The amount of the penalty is one hundred dollars (\$100.00) for each identification marker the carrier is unable to account for.
- (3) Displays an identification marker on a motor vehicle operated by a motor carrier that was not issued to the carrier by the Secretary under G.S. 105-449.47. The amount of the penalty is one thousand dollars (\$1,000) for each identification marker unlawfully obtained. Both the licensed motor carrier to whom the Secretary issued the identification marker and the motor carrier displaying the unlawfully obtained identification marker are jointly and severally liable for the penalty under this subdivision.

A

(a1) Payment. – A penalty imposed under this section is payable to the ~~Department of Revenue, the Department of Crime Control and Public Safety, or the Division of Motor Vehicles.~~ agency that assessed the penalty. When a motor vehicle is found to be operating without a registration card or an identification marker or with an identification marker the Secretary did not issue for the vehicle, the motor vehicle may not be driven for a purpose other than to park the motor vehicle until the penalty imposed under this section is paid unless the officer that imposes the penalty determines that operation of the motor vehicle will not jeopardize collection of the penalty.

(b) Hearing. – The procedure set out in G.S. 105-449.119 for protesting a penalty imposed under Article 36C, Part 6, of this Chapter applies to a penalty imposed under this section."

**SECTION 16.(b)** G.S. 105-449.115(f) reads as rewritten:

"(f) ~~Sanctions Against Transporter.~~ – The following acts are grounds for a civil ~~penalty payable to the Department of Crime Control and Public Safety or the Department of Revenue.~~ penalty:

- (1) Transporting motor fuel in a railroad tank car or transport truck without a shipping document or with a false or an incomplete shipping document.
- (2) Delivering motor fuel to a destination state other than that shown on the shipping document.

The penalty ~~imposed under this subsection~~ is payable to the agency that assessed the penalty and is payable by the person in whose name the conveyance is registered, if the conveyance is a transport truck, and is payable by the person responsible for the movement of motor fuel in the conveyance, if the conveyance is a railroad tank car. The amount of the penalty is five thousand dollars (\$5,000). A penalty imposed under this subsection is in addition to any motor fuel tax assessed."

**SECTION 16.(c)** G.S. 105-449.115A(c) reads as rewritten:

"(c) Sanctions. – Transporting motor fuel in a tank wagon without an invoice, bill of sale, or shipping document containing the information required by this section is grounds for a civil ~~penalty payable to the Department of Crime Control and Public Safety or the Department of Revenue~~ penalty. The penalty ~~imposed under this subsection~~ is payable to the agency that assessed the penalty and is payable by the person in whose name the tank wagon is registered. The amount of the penalty is one thousand dollars (\$1,000). A penalty imposed under this subsection is in addition to any motor fuel tax assessed."

**SECTION 16.(d)** G.S. 105-449.117(b) reads as rewritten:

"(b) Civil Penalty. – The civil penalty is payable to the ~~Department of Transportation, Division of Motor Vehicles, or the Department of Revenue~~ agency that assessed the penalty and is payable by the person in whose name the highway vehicle is registered. The amount of the penalty depends on the amount of fuel in the supply tank of the highway vehicle. The penalty is the greater of one thousand dollars (\$1,000) or five times the amount of motor fuel tax payable on the fuel in the supply tank. A penalty imposed under this section is in addition to any motor fuel tax assessed."

**SECTION 16.(e)** G.S. 105-449.118 reads as rewritten:

**"§ 105-449.118. Civil penalty for buying or selling non-tax-paid motor fuel.**

A person who dispenses non-tax-paid motor fuel into the supply tank of a highway vehicle or who allows non-tax-paid motor fuel to be dispensed into the supply tank of a highway vehicle is subject to a civil penalty of two hundred fifty dollars (\$250.00) per occurrence.

The penalty is payable to the ~~Department of Transportation, Division of Motor Vehicles, or the Department of Revenue~~ agency that assessed the penalty. Failure to pay a penalty imposed under this section is grounds under G.S. 20-88.01(b) to withhold or revoke the registration plate of the motor vehicle into which the motor fuel was dispensed."

**SECTION 16.(f)** G.S. 105-449.118A reads as rewritten:

**"§ 105-449.118A. Civil penalty for refusing to allow the taking of a motor fuel sample.**

A person who refuses to allow the taking of a motor fuel sample is subject to a civil penalty of one thousand dollars (\$1,000). The penalty is payable to the ~~Department of Transportation, Division of Motor Vehicles, or the Department of Revenue~~ agency that assessed the penalty. If the refusal is for a sample to be taken from a vehicle, the penalty is payable by the person in whose name the vehicle is registered. If the refusal is for a sample to be taken from any other storage tank or container, the penalty is payable by the owner of the container."

**SECTION 17.(a)** G.S. 105-449.72(a) reads as rewritten:

"(a) Initial Bond. – An applicant for a license as a refiner, a terminal operator, a supplier, an importer, a blender, a permissive supplier, or a distributor must file with the Secretary a bond or an irrevocable letter of credit. A bond or an irrevocable letter of credit must be conditioned upon compliance with the requirements of this Article, be payable to the State, and be in the form required by the Secretary. The amount of the bond or irrevocable letter of credit is determined as follows:

- (1) For an applicant for a license as any of the following, the amount is two million dollars (\$2,000,000):
  - a. A refiner.
  - b. A terminal operator.

- c. A supplier that is a position holder or a person that receives motor fuel pursuant to a two-party exchange.
  - d. A bonded importer.
  - e. A permissive supplier.
- (2) For an applicant for a license as any of the following, the amount is two times the applicant's average expected monthly tax liability under this Article, as determined by the Secretary. The amount may not be less than two thousand dollars (\$2,000) and may not be more than five hundred thousand dollars (\$500,000):
- a. ~~A supplier that is a fuel alcohol provider or a biodiesel provider but is neither a position holder nor a person that receives motor fuel pursuant to a two-party exchange.~~
  - b. An occasional importer.
  - c. A tank wagon importer.
  - d. A distributor.
  - e. Repealed by Session Laws 1997-60, s. 5, effective October 5, 1997.
- (3) For an applicant for a license ~~as a blender, as any of the following,~~ a bond is required only if the applicant's average expected annual tax liability under this Article, as determined by the Secretary, is at least two thousand dollars (\$2,000). When a bond is required, the bond amount is the same as under subdivision (2) of this subsection.
- a. A blender.
  - b. A supplier that is a fuel alcohol provider or a biodiesel provider but is neither a position holder nor a person that receives motor fuel pursuant to a two-party exchange."

**SECTION 17.(b)** This section becomes effective October 1, 2007.

**SECTION 18.(a)** G.S. 105-449.115(g) reads as rewritten:

"(g) Penalty Defense. – Compliance with the conditions set out in this subsection is a defense to a civil penalty imposed under subsection (f) of this section as a result of the delivery of fuel to a state other than the destination state printed on the shipping document for the fuel. The Secretary must waive a penalty imposed against a person under that subsection if the person establishes a defense under this subsection. The conditions for the defense are:

- (1) The person notified the Secretary of the diversion ~~within seven days after the diversion occurred~~ and received a confirmation number for the ~~diversion~~diversion before the imposition of the penalty.
- (2) Tax was timely paid on the diverted ~~fuel~~fuel, unless the person is a motor fuel transporter."

**SECTION 18.(b)** This section is effective when it becomes law and applies to penalties assessed on or after that date and to refund requests that have not been finally determined as of that date.

**SECTION 19.** G.S. 115D-31.3(j) reads as rewritten:

"(j) Use of funds in low-wealth counties. – Funds retained by colleges or distributed to colleges pursuant to this section may be used to supplement local funding for maintenance of plant if the college does not receive maintenance of plant funds pursuant to G.S. 115D-31.2, and if the county in which the main campus of the community college is ~~located~~located meets all of the following:

- (1) Is designated as a Tier 1 or Tier 2 county in accordance with ~~G.S. 105-129.3; G.S. 143B-437.08.~~
- (2) Had an unemployment rate of at least two percent (2%) above the State average or greater than seven percent (7%), whichever is higher, in the prior calendar ~~year; and~~year.

- (3) Is a county whose wealth, as calculated under the formula for distributing supplemental funding for schools in low-wealth counties, is eighty percent (80%) or less of the State average.

Funds may be used for this purpose only after all local funds appropriated for maintenance of plant have been expended."

**SECTION 20.** G.S. 119-17 is repealed.

**SECTION 21.(b)** Section 39 of Part IX of Chapter 908 of the 1983 Session Laws reads as rewritten:

"**Sec. 39.** Every owner of a business subject to the tax levied by this Part shall, on and after the first day of the calendar month set by the governing body in the resolution levying the tax, collect the occupancy tax provided by this Part. This tax shall be collected as part of the charge for the furnishing of any taxable accommodations. The tax shall be stated and charged separately from the sales records, and shall be paid by the purchaser to the owner of the business as trustee for and on account of the city. The occupancy tax levied under this Part shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the owner of the business. The city tax collector shall design, print, and furnish to all appropriate businesses in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax. Every person liable for the tax imposed pursuant to this Part shall, on or before the ~~15th~~ 20th day of each month, prepare and submit a return on the prescribed form stating the total gross receipts derived during the preceding month from rentals upon which the tax is levied. The tax shall be due and payable to the tax collector on a monthly basis.

Any person who fails or refuses to file the return required by this Part shall pay a penalty of ten dollars (\$10.00) for each day's omission. In addition, any person who refuses to file the return or pay the tax for a period of 30 days after the time required for filing the return or for paying the tax shall pay a penalty of five percent (5%) of the tax due. An additional penalty of five percent (5%) shall be imposed for each additional month or fraction thereof in which the occupancy tax is not paid.

Any person who willfully attempts in any manner to evade the occupancy tax or who willfully fails to pay the tax or make and file the required return, shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and be punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months, or both."

**SECTION 21.(c)** Subsection (a) of Section 26 of Part VII of Chapter 908 of the 1983 Session Laws reads as rewritten:

"(a) Any tax levied under this Part is due and payable to the county in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied."

**SECTION 21.(d)** Subsection (a) of Section 4 of Chapter 988 of the 1983 Session Laws reads as rewritten:

"(a) Any tax levied under this act is due and payable to the county in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied."

**SECTION 21.(e)** Subsection (a) of Section 3 of Chapter 1055 of the 1983 Session Laws reads as rewritten:

"(a) Any tax levied under this act is due and payable to the county in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form



prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied."

**SECTION 21.(f)** Section 10 of Part IV of Chapter 570 of the 1985 Session Laws reads as rewritten:

"**Sec. 10.** Every owner of a business subject to the tax levied by this Part shall, on and after the first day of the calendar month set by the governing body in the resolution levying the tax, collect the occupancy tax provided by this Part. This tax shall be collected as part of the charge for the furnishing of any taxable accommodations. The tax shall be stated and charged separately from the sales records, and shall be paid by the purchaser to the owner of the business as trustee for and on account of the city. The occupancy tax levied under this Part shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the owner of the business. The city tax collector shall design, print, and furnish to all appropriate businesses in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax. Every person liable for the tax imposed pursuant to this Part shall, on or before the ~~15<sup>th</sup>~~ 20<sup>th</sup> day of each month, prepare and submit a return on the prescribed form stating the total gross receipts derived during the preceding month from rentals upon which the tax is levied. The tax shall be due and payable to the tax collector on a monthly basis.

Any person who fails or refuses to file the return required by this Part shall pay a penalty of ten dollars (\$10.00) for each day's omission. In addition, any person who refuses to file the return or pay the tax for a period of 30 days after the time required for filing the return or for paying the tax shall pay a penalty of five percent (5%) of the tax due. An additional penalty of five percent (5%) shall be imposed for each additional month or fraction thereof in which the occupancy tax is not paid.

Any person who willfully attempts in any manner to evade the occupancy tax or who willfully fails to pay the tax or make and file the required return, shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and be punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months, or both."

**SECTION 21.(g)** Subsection (a) of Section 4 of Chapter 857 of the 1985 Session Laws reads as rewritten:

"(a) Any tax levied under this act is due and payable to the county in monthly installments on or before the ~~15<sup>th</sup>-20<sup>th</sup>~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15<sup>th</sup>-20<sup>th</sup>~~ day of each month, prepare and render a return on a form prescribed by Onslow County. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied."

**SECTION 21.(j)** Subsection (a) of Section 4 of Chapter 929 of the 1985 Session Laws as amended by S.L.1985-929 reads as rewritten:

"(a) Any tax levied under this act is due and payable to the levying jurisdiction in monthly installments on or before the ~~25<sup>th</sup>-20<sup>th</sup>~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~25<sup>th</sup>-20<sup>th</sup>~~ day of each month, prepare and render a return on a form prescribed by the taxing city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A return filed under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(k)** Subsection (c) of Section 1 of Chapter 969 of the 1985 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this act. A tax levied under this act is due and payable to the county finance officer in monthly installments on or before the ~~15<sup>th</sup>-20<sup>th</sup>~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15<sup>th</sup>-20<sup>th</sup>~~ day of each month, prepare and render a return on a form

prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(l)** Subsection (c) of Section 1 of Chapter 140 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer the tax levied under this act. The tax shall be due and payable to the county in monthly installments on or before the ~~15th~~ 20th day of the month following the month in which the tax is collected. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and submit a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals subject to the tax. A return filed with the county finance officer under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(m)** Subsection (c) of Section 1 of Chapter 141 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(n)** Subsection (c) of Section 1 of Chapter 143 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(o)** Subsection (c) of Section 1 of Chapter 170 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The town shall administer a tax levied under this section. A tax levied under this section is due and payable to the town finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the town. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the town finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(p)** Subsection (c) of Section 5 of Chapter 172 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this act. A tax levied under this act is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form

prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(q)** Subsection (a) of Section 3 of Chapter 188 of the 1987 Session Laws reads as rewritten:

"(a) Any tax levied under this act is due and payable to the county in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied."

**SECTION 21.(r)** Subsection (c) of Section 1 of Title I of Chapter 460 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The Town shall administer a tax levied under this section. A tax levied under this section is due and payable to the Town revenue collector in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the Town. The return shall state the total gross receipts derived in the preceding month from rentals and sales upon which the tax is levied."

**SECTION 21.(s)** Subsection (c) of Section 1 of Chapter 472 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(t)** Subsection (c) of Section 1 of Chapter 484 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(u)** Subsection (c) of Section 1 of Chapter 538 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(v)** Subsection (c) of Section 1 of Chapter 561 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(w)** Subsection (c) of Section 1 of Chapter 618 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(x)** Subsection (a) of Section 4 of Chapter 647 of the 1987 Session Laws reads as rewritten:

"(a) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied."

**SECTION 21.(y)** Subsection (c) of Section 1 of Chapter 950 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(z)** Subsection (c) of Section 1 of Chapter 979 of the 1987 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(aa)** Subsection (c) of Section 1 of Chapter 173 of the 1989 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(cc)** Subsection (e) of Section 8 of Chapter 821 of the 1989 Session Laws reads as rewritten:

"(e) Administration. Mecklenburg County and the City of Charlotte shall determine by agreement which of them will administer and collect each of the taxes levied pursuant to this Part. In the event an agreement cannot be reached, then any tax levied pursuant to this Part shall be administered and collected by Mecklenburg County. The local administrative authority may promulgate additional rules and regulations necessary for the implementation of this Part.

The taxes levied pursuant to this Part are due and payable to the local administrative authority as agent for the taxing entity in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every taxable establishment liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return to the local administrative authority. The local administrative authority shall design, print, and furnish to all taxable establishments the necessary forms for filing returns and instructions to ensure the full collection of the tax.

A return filed with the local administrative authority under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(dd)** Subsection (c) of Section 1 of Chapter 163 of the 1991 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~fifteenth-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~fifteenth-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(ee)** Subsection (c) of Section 1 of Chapter 230 of the 1991 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~fifteenth-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~fifteenth-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(ff)** Subsection (c) of Section 1 of Chapter 392 of the 1991 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall,

on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied."

**SECTION 21.(gg)** Subsection (c) of Section 5 of Chapter 577 of the 1991 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(hh)** Section 9 of Chapter 594 of the 1991 Session Laws, as amended by Section 5 of Chapter 458 of the 1995 Session Laws, reads as rewritten:

"Sec. 9. Administration. – The county shall administer and collect the taxes levied pursuant to this act. Wake County may contract with the City of Raleigh to perform these functions.

The taxes levied pursuant to this act are due and payable to the county in monthly installments on or before the ~~fifteenth-20th~~ day of the month following the month in which the tax accrues. Every taxable establishment liable for the tax shall, on or before the ~~fifteenth-20th~~ day of each month, prepare and render a return to the county. The county shall design, print, and furnish on request to all taxable establishments the necessary forms for filing returns and instructions to ensure the full collection of the tax.

Returns filed with the county pursuant to this act are not public records and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1."

**SECTION 21.(ii)** Subsection (c) of Section 1 of Chapter 453 of the 1993 Session Laws reads as rewritten:

"(c) Administration.

The city shall administer a tax levied under this section. A tax levied under this section is due and payable to the city finance officer in monthly installments on or before the ~~15th-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th-20th~~ day of each month, prepare and render a return on a form prescribed by the city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the city finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(jj)** Subsection (c) of Section 1 of Chapter 549 of the 1993 Session Laws reads as rewritten:

"(c) Administration.

The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~fifteenth-20th~~ day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~fifteenth-20th~~ day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(ll)** Subsection (c) of Section 1 of Chapter 648 of the 1993 Session Laws reads as rewritten:

"(c) Administration. The city shall administer a tax levied under this section. A tax levied under this section is due and payable to the city finance officer in monthly

installments on or before the ~~fifteenth~~-20th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~fifteenth~~-20th day of each month, prepare and render a return on a form prescribed by the city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the city finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(mm)** Subsection (c) of Section 1 of Chapter 695 of the 1993 Session Laws reads as rewritten:

"(c) Administration.

The town shall administer a tax levied under this section. A tax levied under this section is due and payable to the town in monthly installments on or before the ~~fifteenth~~ 20th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~fifteenth~~-20th day of each month, prepare and render a return on a form prescribed by the town. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the town under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law."

**SECTION 21.(nn)** Subsection (c) of Section 1 of Chapter 530 of the 1995 Session Laws reads as rewritten:

"(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the ~~15th~~-20th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the ~~15th~~-20th day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1."

**SECTION 21.(oo)** This section becomes effective January 1, 2008.

**SECTION 22.(a)** Section 9 of S.L. 2005-294 is repealed.

**SECTION 22.(b)** Section 13 of S.L. 2005-294, as amended by Section 31.5 of S.L. 2006-259, reads as rewritten:

"**SECTION 13.** Sections 4 and 8 of this act become effective January 1, 2006. Sections 1, 2, 3, 5, 6, 7, ~~9~~-10, and 11 of this act become effective July 1, 2010, or when the Division of Motor Vehicles and the Department of Revenue certify that the integrated computer system for registration renewal and property tax collection for motor vehicles is in operation, whichever occurs first. Sections 12 and 13 of this act are effective when they become law. Nothing in this act shall require the General Assembly to appropriate funds to implement it for the biennium ending June 30, 2007."

**SECTION 22.(c)** G.S. 105-330.10 reads as rewritten:

"§ 105-330.10. Disposition of interest.

~~Sixty percent (60%) of the first month's~~The interest collected on unpaid taxes ~~registration fees pursuant to G.S. 105-330.4 shall be transferred on a monthly basis to the Combined Motor Vehicle and Registration Account created within the Treasurer's Office.~~North Carolina Highway Fund for technology improvements within the Division of Motor Vehicles. ~~Interest generated by the funds in the Combined Motor Vehicle and Registration Account shall be credited to the Account. The Office of State Budget and Management shall direct the Treasurer to distribute the funds in the Account to the Division of Motor Vehicles for the purpose of developing and implementing an integrated computer system within the Division of Motor Vehicles that would allow for the combined assessment, billing, and collection of property taxes on motor vehicles and the issuance of registration plates. Funds in the Account shall not be transferred by~~

~~the Office of State Budget and Management and appropriated by the General Assembly until the Department of Transportation and the North Carolina Association of County Commissioners reach agreement on a project plan for the integrated system. The Treasurer shall report to the Revenue Laws Study Committee semiannually with the first report due by April 30, 2006. The report shall contain a detailed description of the amount of moneys transferred to the Account and distributed from the Account. Any funds remaining in the Account after the integrated computer system has been certified to be in operation shall be distributed to the local governments on a pro rata basis determined by the first month's interest collected on the unpaid taxes on classified motor vehicles and paid into the Account by each local government."~~

**SECTION 22.(d)** Subsection (c) of this section becomes effective January 1, 2010. The remainder of this section is effective when it becomes law.

**SECTION 23.** The introductory language of Section 6 of S.L. 2006-128 reads as rewritten:

"~~SECTION 6. G.S. 153A-215(g)~~153A-155(g) reads as rewritten:"

**SECTION 24.** Section 33 of S.L. 2006-162 reads as rewritten:

"~~SECTION 33. Section 4~~Sections 4(a) and 4(b) of this act ~~is~~are effective for taxable years beginning on or after January 1, 2006. Section 13 of this act becomes effective July 1, 2007, and applies to motor fuel transported on or after that date. Sections 14, 15, and 17 of this act become effective January 1, 2007, and apply to motor fuel purchased on or after that date. An exempt card or code will not be valid for sales of motor fuel at the terminal rack on or after January 1, 2007. Section 26 of this act is effective when it becomes law and applies to the estates of decedents dying on or after January 1, 2005. Section 32 of this act becomes effective January 1, 2007. The remainder of this act is effective when it becomes law."

**SECTION 25.** Sec. 8.4 of Chapter 692 of the 1989 Session Laws is repealed.

**SECTION 26.(a)** G.S. 105-130.41(c1) reads as rewritten:

"(c1) Report. – The Department of Revenue must publish by May 1 of each year the following information itemized by taxpayer for the 12-month period ending the preceding December 31:

- (1) The number of taxpayers taking a credit allowed in this section.
- (2) The total amount of charges ~~with respect to which credits were taken~~ assessed for the taxable year.
- (3) The total cost to the General Fund of the credits taken."

**SECTION 26.(b)** G.S. 105-151.22(c1) reads as rewritten:

"(c1) Report. – The Department of Revenue must publish by May 1 of each year the following information itemized by taxpayer for the 12-month period ending the preceding December 31:

- (1) The number of taxpayers taking a credit allowed in this section.
- (2) The total amount of charges ~~with respect to which credits were taken~~ assessed for the taxable year.
- (3) The total cost to the General Fund of the credits taken."

**SECTION 27.** G.S. 105-164.13(38) reads as rewritten:

"§ 105-164.13. **Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property and services are specifically exempted from the tax imposed by this Article:

- ...
- (38) Food and other items lawfully purchased under the Food Stamp Program, ~~7 U.S.C. § 51,~~ 7 U.S.C. § 2011, and supplemental foods lawfully purchased with a food instrument issued under the Special Supplemental Food Program, 42 U.S.C. § 1786, and supplemental foods purchased for direct distribution by the Special Supplemental Food Program."



**SECTION 28.** G.S. 105-164.44I is amended by adding a new subsection to read:

"(c1) Revised Certification. – If a county or city determines that the amount of cable franchise tax it imposed during the first six months of the 2006-2007 fiscal year differs from the amount certified to the Secretary under subsection (c) of this section, the county or city may submit a new certification to the Secretary revising the amount. For distributions for quarters beginning on or after October 1, 2007, the Secretary must determine the proportionate share of a county or city based upon certifications submitted on or before October 1, 2007. For distributions for quarters beginning on or after April 1, 2008, the Secretary must determine the proportionate share of a county or city based upon certifications submitted on or before April 1, 2008. Certifications submitted after April 1, 2008, may not be used to adjust a county's or city's base amount under subsection (c) of this section."

**SECTION 30.** G.S. 105-187.11 is repealed.

**SECTION 31.** G.S. 105-241(b)(2) reads as rewritten:

"(b) Electronic Funds Transfer. – Payment by electronic funds transfer is required as provided in this subsection.

...

(2) ~~Semimonthly Prepayment taxes.~~ – A taxpayer that is required to pay tax on a semimonthly schedule prepay tax under G.S. 105-116 or G.S. 105-164.16 must pay the tax by electronic funds transfer."

**SECTION 32.** G.S. 105-248.1 is repealed.

**SECTION 33.** G.S. 105-259(b)(3) reads as rewritten:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

...

(3) ~~Review by~~ To exchange the following types of information with a tax official of another jurisdiction if the laws of the other jurisdiction allow it to provide similar tax information to a representative of this State:

a. ~~Information to aid the jurisdiction in collecting a tax imposed by this State or the other jurisdiction if the laws of the other jurisdiction allow it to provide similar tax information to a representative of this State.~~ jurisdiction.

b. Information needed for statistical reports and revenue estimates."

**SECTION 34.** G.S. 105-259(b)(7) reads as rewritten:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

...

(7) To exchange information with the Division of the State Highway Patrol of the Department of Crime Control and Public Safety, the Division of Motor Vehicles of the Department of Transportation, or the International Fuel Tax Association, Inc., or the Joint Operations Center for National Fuel Tax Compliance when the information is needed to fulfill a duty imposed on the Department of Revenue, the Division of the State Highway Patrol of the Department of Crime Control and Public Safety, or the Division of Motor Vehicles of the Department of Transportation."

**SECTION 35.** G.S. 105-259(b)(13) reads as rewritten:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

- ...  
(13) To furnish the following to the Fiscal Research Division of the General Assembly, upon ~~request, a request:~~  
a. A sample, suitable in character, composition, and size for statistical analyses, of tax returns or other tax information from which taxpayers' names and identification numbers have been removed.  
b. An analysis of the fiscal impact of proposed legislation."

**SECTION 36.** G.S. 105-259 (b)(27) reads as rewritten:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

- ...  
(27) To provide a report required under this Chapter.  
~~105-129.85"~~

**SECTION 37.** G.S. 105-275(41) reads as rewritten:

**"§ 105-275. Property classified and excluded from the tax base.**

The following classes of property are hereby designated special classes under authority of Article V, Sec. 2(2), of the North Carolina Constitution and shall not be listed, appraised, assessed, or taxed:

- ...  
(41) Objects of art held by the North Carolina State Art Society, Incorporated."

**SECTION 38.(a)** G.S. 105-449.81(3a) is repealed.

**SECTION 38.(b)** This section becomes effective January 1, 2008.

**SECTION 39.** G.S. 142-95 is repealed.

**SECTION 40.** Article 3 of Chapter 159D of the General Statutes is repealed.

**SECTION 41.** G.S. 20-51(16), as enacted by S.L. 2007-194, reads as

rewritten:

**"§ 20-51. Exempt from registration.**

The following shall be exempt from the requirement of registration and certificate of title:

- ...  
(16) A vehicle that meets all of the ~~following:~~following conditions is exempt from the requirement of registration and certificate of title. The provisions of G.S. 105-449.117 continue to apply to the vehicle and to the person in whose name the vehicle would be registered.  
a. Is an agricultural spreader vehicle. An 'agricultural spreader vehicle' is a vehicle that is designed for off-highway use on a farm to spread fertilizer, seed, lime, or other agricultural products on a field.  
b. Is driven on the highway only for the purpose of going from the location of its supply source for fertilizer or other products to and from a farm.  
c. Does not exceed a speed of 35 miles per hour.  
d. Does not drive outside a radius of 50 miles from the location of its supply source for fertilizer and other products.  
e. Is driven by a person who has a license appropriate for the class of the vehicle.

- f. Is insured under a motor vehicle liability policy in the amount required under G.S. 20-309.
- g. Displays a valid federal safety inspection decal if the vehicle has a gross vehicle weight rating of at least 10,001 pounds."

**SECTION 42.** The prefatory language to Section 6 in S.L. 2007-224 reads as rewritten:

"**SECTION 6.** ~~G.S. 160-215(g)~~ G.S. 160A-215(g) reads as rewritten:"

**SECTION 43.** G.S. 153A-155(g) reads as rewritten:

"(g) This section applies only to Alleghany, Anson, Brunswick, Buncombe, Cabarrus, Camden, Carteret, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Franklin, Granville, Halifax, Madison, Martin, Montgomery, Nash, New Hanover, New Hanover County District U, Pasquotank, Pender, Person, Randolph, Richmond, Rockingham, Rowan, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, and Washington Counties, to Watauga County District U, and to the Township of Averagesboro in Harnett County."

**SECTION 44.** Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of August, 2007.

s/ Beverly E. Perdue  
President of the Senate

s/ Joe Hackney  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 11:40 a.m. this 31<sup>st</sup> day of August, 2007