

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1997**

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**HOUSE BILL 86\***

Short Title: Sales Tax Refund for Schools.

(Public)

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Sponsors: Representatives Grady, Black, McMahan, Owens, Preston, Rogers, Wood; Aldridge, Baker, Capps, Dockham, Goodwin, Moore, Morris, Mosley, Sexton, Shubert, Smith, Sutton, Warner, and Watson.

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Referred to: Education, if favorable, Finance.

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February 10, 1997

**A BILL TO BE ENTITLED**

**AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO RECEIVE A REFUND  
ON SALES TAX PAID FOR ITEMS PURCHASED FROM THE CAPITAL  
OUTLAY FUND.**

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.14(c) reads as rewritten:

"(c) Certain Governmental Entities. – A governmental entity listed in this subsection is allowed an annual refund of sales and use tax paid by it under this Article, except under G.S. 105-164.4(a)(4a) and G.S. 105-164.4(a)(4c), on direct purchases of tangible personal property. Sales and use tax liability indirectly incurred by a governmental entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the governmental entity and is being erected, altered, or repaired for use by the governmental entity is considered a sales or use tax liability incurred on direct purchases by the governmental entity for the purpose of this subsection. A request for a refund must be in writing and must include any information and documentation required by the Secretary. A request for a refund is due within six months after the end of the governmental entity's fiscal year.

- 1        This subsection applies only to the following governmental entities:
- 2            (1)    A county.
- 3            (2)    A city as defined in G.S. 160A-1.
- 4            (2a)   A consolidated city-county as defined in G.S. 160B-2.
- 5            (2b)   A local school administrative unit, but only with respect to sales and use
- 6                    tax paid by it on purchases made from its capital outlay fund under G.S.
- 7                    115C-426.