

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1133*

Short Title: Additional Inventory Reimbursement.

(Public)

Sponsors: Representative Lineberry.

Referred to: Finance.

April 26, 1991

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A SPECIAL ADDITIONAL REIMBURSEMENT TO LOCAL GOVERNMENTS FOR REVENUE LOST DUE TO THE REPEAL OF THE PROPERTY TAX ON INVENTORY AND TO APPROPRIATE FUNDS TO THE LOCAL GOVERNMENT TAX REIMBURSEMENT RESERVE TO PAY FOR THE ADDITIONAL REIMBURSEMENT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-277A(c2) reads as rewritten:

*(c2) Supplemental Distribution. On or before March 20, 1989, the Secretary shall determine, with respect to each county and city, whether the sum of (i) the amount the county or city received under subsection (c), plus (ii) the amount the county or city received under subsection (c1), plus (iii) three and four-tenths percent (3.4%) of the total distribution received by the county or city under G.S. 105-472, 105-486, 105-493, 105-501, and Chapter 1096 of the 1967 Session Laws between January 1, 1988, and December 31, 1988, is less than ninety percent (90%) of the amount of taxes the county or city actually levied on inventories owned by retailers and wholesalers for the 1987-88 tax year. If that sum is less than ninety percent (90%) of the amount of taxes the county or city actually levied on those inventories for the 1987-88 tax year, the Secretary shall distribute to that county or city a supplemental amount equal to the amount by which ninety percent (90%) of the taxes it actually levied on inventories owned by retailers and wholesalers for the 1987-88 tax year exceeds the total of subdivisions (i), (ii), and (iii).

1 Except as provided in subsection (g) of this section, each year thereafter, through
2 1991, as soon as practicable after January 1, the Secretary shall distribute to each county
3 and city the amount it received the previous year under this subsection.

4 As soon as practicable after January 1, 1992, the Secretary shall determine, with
5 respect to each county and city, whether the sum of (i) the amount the county or city
6 received under subsection (c), plus (ii) the amount the county or city received under
7 subsection (c1), plus (iii) three and four-tenths percent (3.4%) of the total distribution
8 received by the county or city under G.S. 105-472, 105-486, 105-493, 105-501, and
9 Chapter 1096 of the 1967 Session Laws between January 1, 1988, and December 31,
10 1988, is less than the amount of taxes the county or city actually levied on inventories
11 owned by retailers and wholesalers for the 1987-88 tax year. If that sum is less than the
12 amount of taxes the county or city actually levied on those inventories for the 1987-88
13 tax year, the Secretary shall distribute to that county or city a supplemental amount
14 equal to three times the amount by which the amount of taxes it actually levied on
15 inventories owned by retailers and wholesalers for the 1987-88 tax year exceeds the
16 total of subdivisions (i), (ii), and (iii), minus the amount it received from 1989 through
17 1991 under this subsection.

18 Except as provided in subsection (g) of this section, each year thereafter, as soon as
19 practicable after January 1, the Secretary shall distribute to each county and city an
20 amount equal to the amount by which the amount of taxes it actually levied on
21 inventories owned by retailers and wholesalers for the 1987-88 tax year exceeds the
22 total of subdivisions (i), (ii), and (iii)."

23 Sec. 2. There is appropriated from the General Fund to the Local
24 Government Tax Reimbursement Reserve the sum of \$2,000,000 for the 1991-92 fiscal
25 year and the sum of \$683,000 for the 1992-93 fiscal year to pay for the special
26 reimbursement provided by this act.

27 Sec. 3. This act becomes effective July 1, 1991.