

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 754

Short Title: Scotland Local Sales Tax.

(Local)

Sponsors: Representatives Yongue, Bonner, and Sutton.

Referred to: Rules, Calendar and Operations of the House.

March 31, 1999

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE SCOTLAND COUNTY TO LEVY A SALES AND USE
TAX OF ONE PERCENT.

The General Assembly of North Carolina enacts:

Section 1. This act applies only to Scotland County.

Section 2. Subchapter VIII of Chapter 105 of the General Statutes is amended
by adding a new Article to read:

"ARTICLE 44.

**"SECOND ONE-CENT (1¢) LOCAL GOVERNMENT
SALES AND USE TAX.**

"§ 105-515. Short title.

This Article shall be known as the Second One-Cent (1¢) Local Government Sales
and Use Tax Act.

"§ 105-516. Purpose.

This Article gives the counties of this State an opportunity to obtain an additional
source of revenue with which to meet their growing financial needs. It provides all
counties of the State that are subject to this Article with authority to levy one percent
(1%) sales and use taxes.

"§ 105-517. Limitations.

1 This Article applies only to counties that levy the first one-cent (1¢) sales and use tax
2 under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the
3 first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the
4 second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter.

5 **"§ 105-518. Levy and administration.**

6 Before levying the tax authorized by this Article, the board of commissioners must
7 hold a public hearing on the question after at least 10 days' notice of the hearing. After
8 the public hearing, the board of commissioners of the county may, by resolution, levy one
9 percent (1%) local sales and use taxes in addition to any other State and local sales and
10 use taxes levied pursuant to law. Except as provided in this Article, the adoption, levy,
11 collection, administration, and repeal of these additional taxes shall be in accordance with
12 Article 39 of this Chapter.

13 A tax levied under this Article does not apply to the sales price of food that is not
14 otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the
15 State sales and use tax pursuant to G.S. 105-164.13 if it were purchased under the Food
16 Stamp Program, 7 U.S.C. § 51.

17 **"§ 105-519. Distribution and use.**

18 The Secretary must, on a quarterly basis, distribute to each taxing county the net
19 proceeds of the tax levied under this Article by that county. If the Secretary collects
20 taxes under this Article in a month and the taxes cannot be identified as being attributable
21 to a particular taxing county, the Secretary must allocate these taxes among the taxing
22 counties in proportion to the amount of taxes collected in each county under this Article
23 in that month and must include them in the quarterly distribution. The proceeds of a tax
24 levied under this Article may be used for any lawful public purpose."

25 Section 3. This act is effective when it becomes law.

26 Section 4. A tax levied under Article 44 of Chapter 105 of the General
27 Statutes, as enacted by this act, does not apply to construction materials purchased to
28 fulfill a lump-sum or unit-price contract entered into or awarded before the effective date
29 of the levy or entered into or awarded pursuant to a bid made before the effective date of
30 the levy when the construction materials would otherwise be subject to the tax levied
31 under Article 44 of Chapter 105 of the General Statutes.