

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1476
Committee Substitute Favorable 6/15/99
Third Edition Engrossed 6/24/99
Senate Finance Committee Substitute Adopted 7/7/99

Short Title: Code Update/Criminal Deadline/Research.

(Public)

Sponsors:

Referred to:

May 13, 1999

A BILL TO BE ENTITLED

AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE
USED IN DEFINING AND DETERMINING CERTAIN STATE TAX
PROVISIONS, TO EARMARK PART OF THE RESULTING REVENUE GAIN
FOR TAX RESEARCH, AND TO CONFORM TO THE FEDERAL STATUTE OF
LIMITATIONS FOR WILLFUL FAILURE TO COMPLY WITH STATE TAX
LAWS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-228.90(b)(1a) reads as rewritten:

"(b) Definitions. – The following definitions apply in this Article:

...

(1a) Code. – The Internal Revenue Code as enacted as of ~~September 1, 1998,~~
June 1, 1999, including any provisions enacted as of that date which
become effective either before or after that date."

Section 2. G.S. 105-236(8) reads as rewritten:

"(8) Willful Failure to Collect, Withhold, or Pay Over Tax. – Any person
required to collect, withhold, account for, and pay over any tax who

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1 willfully fails to collect or truthfully account for and pay over the tax
2 shall, in addition to other penalties provided by law, be guilty of a Class
3 1 misdemeanor. Notwithstanding any other provision of law, no
4 prosecution for a violation brought under this subdivision shall be
5 barred before the expiration of ~~three~~six years after the date of the
6 violation."

7 Section 3. G.S. 105-236(9) reads as rewritten:

8 "(9) Willful Failure to File Return, Supply Information, or Pay Tax. – Any
9 person required to pay any tax, to make a return, to keep any records, or
10 to supply any information, who willfully fails to pay the tax, make the
11 return, keep the records, or supply the information, at the time or times
12 required by law, or rules issued pursuant thereto, shall, in addition to
13 other penalties provided by law, be guilty of a Class 1 misdemeanor.
14 Notwithstanding any other provision of law, no prosecution for a
15 violation brought under this subdivision shall be barred before the
16 expiration of ~~three~~six years after the date of the violation."

17 Section 4. The Secretary of Revenue may draw the following amounts from
18 funds generated by Section 1 of this act that would otherwise be credited to the General
19 Fund, to fund four tax analyst positions in the Tax Research Division of the Department
20 of Revenue, effective January 1, 2000, as recommended by the Revenue Laws Study
21 Committee:

- 22 (1) One hundred seventy-eight thousand thirty-eight dollars (\$178,038) in
23 the 1999-2000 fiscal year.
24 (2) Two hundred eighty-three thousand two hundred seventy-five dollars
25 (\$283,275) in the 2000-2001 fiscal year.

26 Section 5. Sections 2 and 3 of this act become effective December 1, 1999,
27 and apply to prosecutions brought on or after that date for cases where the three-year
28 statute of limitations had not expired prior to December 1, 1999. The remainder of this
29 act is effective when it becomes law.