

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 624

Short Title: Duplin Local Sales Tax.

(Local)

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Sponsors: Representative Tucker.

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

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March 29, 1999

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE DUPLIN COUNTY TO LEVY A ONE-CENT LOCAL  
SALES TAX FOR SPECIFIC CAPITAL PROJECTS.

The General Assembly of North Carolina enacts:

Section 1. This act applies only to Duplin 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 is 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 a 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.**

This Article applies only to counties that levy the first one-cent (1¢) sales and use tax  
under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the

1 first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the  
2 second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter.

3 **"§ 105-518. Levy of tax.**

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

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

15 **"§ 105-519. Distribution and use of tax.**

16 (a) Distribution. – The Secretary must, on a quarterly basis, distribute to each  
17 taxing county the net proceeds of the tax levied under this Article by that county. If the  
18 Secretary collects taxes under this Article in a month and the taxes cannot be identified as  
19 being attributable to a particular taxing county, the Secretary must allocate these taxes  
20 among the taxing counties in proportion to the amount of taxes collected in each county  
21 under this Article in that month and must include them in the quarterly distribution.

22 (b) Use. – A county may use the proceeds of a tax levied under this Article only  
23 for capital outlay for a senior citizen-adult day care center and an agri-community  
24 complex, and to retire debt incurred for these purposes.

25 **"§ 105-520. Expiration.**

26 A tax levied under this Article expires on the first day of the first month after all  
27 expenses and debt for the purposes authorized in G.S. 105-520 have been retired. A  
28 county's authorization to levy a tax under this Article also expires at that time. The  
29 county shall notify the Secretary of Revenue at least 90 days before the effective date of  
30 the repeal or expiration of a tax levied under this Article. The expiration of a tax  
31 pursuant to this Article does not affect the rights or liabilities of a county, a taxpayer, or  
32 another person arising under the expired tax; nor does it affect the right to any refund or  
33 credit of a tax that would otherwise have been available under the expired tax before its  
34 expiration.

35 If the Secretary receives a valid request for a refund of a tax levied under this Article  
36 after the tax has expired and the net proceeds have been distributed, the Secretary shall  
37 draw the refund from the taxing county's share of the net proceeds of the tax it levies  
38 under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, as  
39 applicable."

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

41 Section 4. A tax levied under Article 44 of Chapter 105 of the General  
42 Statutes, as enacted by this act, does not apply to construction materials purchased to  
43 fulfill a lump-sum or unit-price contract entered into or awarded before the effective date

- 1 of the levy or entered into or awarded pursuant to a bid made before the effective date of
- 2 the levy when the construction materials would otherwise be subject to the tax levied
- 3 under Article 44 of Chapter 105 of the General Statutes.