

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 640

Short Title: Jackson, Swain Sales Tax.

(Local)

Sponsors: Senator Robinson.

Referred to: Finance.

March 30, 1999

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE JACKSON AND SWAIN COUNTIES TO LEVY A SALES
3 AND USE TAX OF ONE PERCENT.

4 The General Assembly of North Carolina enacts:

5 Section 1. This act applies only to Jackson and Swain Counties.

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

8 **"ARTICLE 44.**

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

11 **"§ 105-515. Short title.**

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

14 **"§ 105-516. Purpose.**

15 This Article gives the counties of this State an opportunity to obtain an additional
16 source of revenue with which to meet their growing financial needs. It provides all
17 counties of the State that are subject to this Article with authority to levy one percent
18 (1%) sales and use taxes.

19 **"§ 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 of tax.**

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.

11 Except as provided in this Article, the adoption, levy, collection, administration, and
12 repeal of these additional taxes shall be in accordance with Article 39 of this Chapter. A
13 tax levied under this Article does not apply to the sales price of food that is not otherwise
14 exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the State sales
15 and use tax pursuant to G.S. 105-164.13 if it were purchased under the Food Stamp
16 Program, 7 U.S.C. § 51.

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

18 (a) Distribution. – The Secretary must, on a quarterly basis, distribute the net
19 proceeds of the taxes levied under this Article to the taxing counties on a per capita basis
20 according to the most recent annual population estimates certified to the Secretary by the
21 State Planning Officer. If any taxes levied under this Article by a county have not been
22 collected in that county for a full quarter because of the levy or repeal of the taxes, the
23 Secretary shall distribute a pro rata share to that county for that quarter based on the
24 number of months the taxes were collected in that county during the quarter.

25 (b) Use. – A county may use the proceeds of a tax levied under this Article for any
26 lawful public purpose."

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

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