

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 1495

**SHORT TITLE:** Raise Intangibles Reimbursement

**SPONSOR(S):** Rep. Mitchell

<b>FISCAL IMPACT (\$ MIL.)</b>					
	<b>Yes (x)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
<b><u>Y 2000-01</u></b>	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	
<b>REVENUES:</b>					
State General Fund	-\$1.0	-\$1.0	-\$1.0	-\$1.0	-\$1.0
Local Government	+\$1.0	+\$1.0	+\$1.0	+\$1.0	+\$1.0
<b>PRINCIPAL DEPARTMENT AFFECTED:</b> The tax distribution is made by the Department of Revenue. The bill will not affect the department's budget requirements.					
<b>EFFECTIVE DATE:</b> July 1, 2000.					

**BILL SUMMARY:** The State provides \$129.0 million annually to local government units as a reimbursement for the 1985 repeal of the intangibles tax on money on deposit and the 1995 elimination of the remainder of the tax (mostly stocks and bonds). The reimbursement is fixed and the total statewide amount is allocated to each county area on the basis of "county of origin" for the last year in which the tax was levied.

**The bill raises the reimbursement to \$130.0 million and changes the county area distribution method to per capita, based on the most recent annual population estimates made by the State Planning Office.**

**ASSUMPTIONS AND METHODOLOGY:** Data on the cost of the annual distribution is reported in the monthly General Fund tax collection report of the Department of Revenue. The reimbursement is in the form of an earmarking of the personal income tax during August of each year.

**FISCAL RESEARCH DIVISION 733-4910**

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**DATE:** May 18, 2000



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