

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 117

Short Title: Cumberland Local Sales Tax. (Local)

Sponsors: Senator Rand.

Referred to: Finance.

February 12, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CUMBERLAND COUNTY TO LEVY A ONE-CENT
LOCAL SALES AND USE TAX FOR PUBLIC SCHOOL BUILDINGS.

The General Assembly of North Carolina enacts:

SECTION 1. This act applies to Cumberland County only.

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.

"§ 105-525. Short title.

This Article is the Second One-Cent (1¢) Local Government Sales and Use Tax Act.

"§ 105-526. 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 first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter.

"§ 105-527. Levy of tax.

The board of commissioners of a county may, by resolution, levy one percent (1%) local sales and use taxes in addition to any other State and local sales and use taxes levied pursuant to law. Before adopting a resolution under this section, the board of commissioners must give at least 10 days public notice of its intent to adopt the resolution and must hold a public hearing on the issue of adopting the resolution.

"§ 105-528. Administration of taxes.

Except as provided in this Article, the adoption, levy, collection, administration, and repeal of the additional taxes authorized by this Article shall be in accordance with Article 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this Article, references to 'this Article' mean 'Article 44 of Chapter 105 of the General Statutes'.

1 A tax levied under this Article does not apply to the sales price of food that is
2 exempt from tax pursuant to G.S. 105-164.13B.

3 **"§ 105-529. Expiration.**

4 A tax levied under this Article expires 10 years after the effective date of its levy. A
5 county's authorization to levy a tax under this Article expires 10 years after the effective
6 date of the first tax a county levies under this Article, even if the tax has not remained in
7 effect for the entire 10-year period. The expiration of a tax pursuant to this Article does
8 not affect the rights or liabilities of a county, a taxpayer, or another person arising under
9 the expired tax; nor does it affect the right to any refund or credit of a tax that would
10 otherwise have been available under the expired tax before its expiration.

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

16 **"§ 105-530. Distribution and use of taxes.**

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

24 (b) Use. – The proceeds of a tax levied under this Article may be used only for
25 public school capital outlay purposes as defined in G.S. 115C-426(f) or to retire any
26 indebtedness incurred by the county for these purposes after January 1, 1997."

27 **SECTION 3.** A tax levied under Article 44 of Chapter 105 of the General
28 Statutes, as enacted by this act, does not apply to construction materials purchased to
29 fulfill a lump-sum or unit-price contract entered into or awarded before the effective
30 date of the levy or entered into or awarded pursuant to a bid made before the effective
31 date of the levy when the construction materials would otherwise be subject to the tax
32 levied under Article 44 of Chapter 105 of the General Statutes.

33 **SECTION 4.** This act becomes effective when it becomes law.