

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 96

Short Title: Merchants' Sales Tax Discount.

(Public)

Sponsors: Senator Winner.

Referred to: Finance.

February 19, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW A PERCENTAGE DISCOUNT TO MERCHANTS FOR
3 COLLECTING STATE SALES AND USE TAXES.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-164.21 is reenacted and rewritten to read:

6 **"§ 105-164.21. Discount for collecting and paying taxes when due.**

7 (a) Amount. Except as provided in subsection (b), a retailer who pays the retail
8 sales or use tax imposed by this Article may deduct from the amount of the tax paid a
9 discount of three percent (3%) of the first one thousand dollars (\$1,000) of tax paid per
10 month and one percent (1%) of the remaining tax paid per month up to the following
11 maximum discounts:

12 (1) One hundred dollars (\$100.00) per month for each place of business at
13 a separate location.

14 (2) For taxpayers who are required to report on a semimonthly basis, four
15 thousand dollars (\$4,000) per semimonthly period for each retailer
16 group.

17 (3) For taxpayers who are not required to report on a semimonthly basis,
18 eight thousand dollars (\$8,000) per month for each retailer group.

19 The discount for each location may be deducted only from the tax paid with regard
20 to that location. For the purposes of this section, a retailer group includes all retail
21 establishments that have one of the following relationships with one another: (i) one
22 corporation owns, directly or indirectly, at least eighty percent (80%) of the voting stock
23 of the others; (ii) at least eighty percent (80%) of the voting stock of the corporations is
24 owned, directly or indirectly, by the same interests; or (iii) in the case of establishments

1 that are not incorporated, the establishments are under the same general management,
2 supervision, or ownership.

3 (b) Restrictions. The Secretary may deny a retailer the benefits of this section for
4 failure to pay the full tax when due as well as in cases of fraud, evasion, or failure to
5 keep accurate and clear records as required by this Article. In order to receive the
6 discount provided in this section, a retailer must deduct the discount when it remits the
7 tax to the Department of Revenue. A utility may not deduct the discount provided in
8 this section on sales of electricity, piped natural gas, or telephone service."

9 Sec. 2. G.S. 105-474 reads as rewritten:

10 "**§ 105-474. Definitions; construction of Article; remedies and penalties.**
11 **Administration and construction of Article.**

12 This Article shall be harmonized with the North Carolina Sales and Use Tax Act to
13 the extent practical. The discount provided in G.S. 105-164.21 does not apply to this
14 Article. The remaining provisions of Articles 5 and 9 of this Chapter apply to this
15 Article to the extent they are consistent with this Article.

16 ~~The definitions set forth in G.S. 105-164.3 shall apply to this Article insofar as such~~
17 ~~definitions are not inconsistent with the provisions of this Article, and all other~~
18 ~~provisions of Article 5 and of Article 9 of Subchapter 1, Chapter 105 of the General~~
19 ~~Statutes, as the same relate to the North Carolina Sales and Use Tax Act shall be~~
20 ~~applicable to this Article unless such provisions are inconsistent with the provisions of~~
21 ~~this Article. The administrative interpretations made by the Secretary of Revenue with~~
22 ~~respect to the North Carolina Sales and Use Tax Act, to the extent not inconsistent with~~
23 ~~the provisions of this Article, may be uniformly applied in the construction and~~
24 ~~interpretation of this Article. It is the intention of this Article that the provisions of this~~
25 ~~Article and the provisions of the North Carolina Sales and Use Tax Act, insofar as~~
26 ~~practicable, shall be harmonized.~~

27 ~~The provisions with respect to remedies and penalties applicable to the North~~
28 ~~Carolina Sales and Use Tax Act, as contained in Article 5 and Article 9, Subchapter 1,~~
29 ~~Chapter 105 of the General Statutes, shall be applicable in like manner to the tax~~
30 ~~authorized to be levied and collected under this Article, to the extent that the same are~~
31 ~~not inconsistent with the provisions of this Article."~~

32 Sec. 3. The first sentence of Section 10 of Chapter 1096 of the 1967 Session
33 Laws is amended by adding after the word "Act" the phrase ", other than G.S. 105-
34 164.21,".

35 Sec. 4. This act becomes effective April 1, 1992, and applies to returns filed
36 on or after that date.