

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 661

Short Title: Privilege License/Entertainment Taxes.

(Public)

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Sponsors: Senators Kaplan, Winner of Buncombe; and Smith.

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Referred to: Finance.

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March 31, 1993

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE STATE PRIVILEGE LICENSE TAX ON MOST  
BUSINESSES SUBJECT TO SALES TAX AND ON OTHER TRADES AND  
BUSINESSES AND TO INCREASE THE TAX ON ENTERTAINMENT FROM  
THREE PERCENT TO FOUR PERCENT.

The General Assembly of North Carolina enacts:

Section 1. The following sections of Article 2 of Chapter 105 of the General Statutes are repealed:

- |               |   |
|---------------|---|
| G.S. 105-36   | Amusements – Manufacturing, selling, leasing, or distributing moving picture films. |
| G.S. 105-36.1 | Amusements – Outdoor theatres.  |
| G.S. 105-37   | Amusements – Moving pictures – Admission.   |
| G.S. 105-41   | Attorneys-at-law and other professionals.   |
| G.S. 105-42   | Private detectives and investigators.   |
| G.S. 105-45   | Collecting agencies.  |
| G.S. 105-46   | Undertakers and retail dealers in coffins.  |
| G.S. 105-51.1 | Alarm systems.  |
| G.S. 105-53   | Peddlers, itinerant merchants, and specialty market operators.                      |
| G.S. 105-55   | Installing elevators and automatic sprinkler systems.                               |
| G.S. 105-58   | Fortune tellers, palmists, etc.   |
| G.S. 105-60   | Day-care facilities   |
| G.S. 105-61   | Hotels, motels, tourist courts and tourist homes.                                   |
| G.S. 105-62   | Restaurants.  |
| G.S. 105-65   | Music machines.   |

1	G.S. 105-65.1	Merchandising dispensers and weighing machines.
2	G.S. 105-70	Packinghouses.
3	G.S. 105-74	Pressing clubs, dry cleaning plants, and hat blockers.
4	G.S. 105-77	Tobacco warehouses.
5	G.S. 105-80	Firearms dealers and dealers in other weapons.
6	G.S. 105-85	Laundries.
7	G.S. 105-86	Outdoor advertising.
8	G.S. 105-89.1	Motorcycle dealers.
9	G.S. 105-90	Emigrant and employment agents.
10	G.S. 105-91	Plumbers, heating contractors, and electricians.
11	G.S. 105-97	Manufacturers of ice cream.
12	G.S. 105-98	Branch or chain stores.
13	G.S. 105-102.1	Certain cooperative associations.
14	G.S. 105-102.5	General business license.

15 Sec. 2. G.S. 105-33 reads as rewritten:

16 **"§ 105-33. ~~Taxes under this Article.~~ General provisions.**

17 (a) Nature of Taxes. – Taxes in this Article ~~or schedule shall be imposed as are~~  
 18 State license taxes for the privilege of carrying on the business, exercising the privilege,  
 19 or doing the act named, ~~and nothing in this Article shall be construed to relieve any person,~~  
 20 ~~firm, or corporation from the payment of the tax prescribed in this Article or schedule:~~  
 21 ~~Provided, the obtaining of named.~~ Obtaining a license required by this Article ~~shall does~~  
 22 not of itself authorize the practice of a profession, business, or trade for which a State  
 23 qualification license is required.

24 (b) License for Each Location. – If the business made taxable or the privilege to  
 25 be exercised under this Article is carried on at two or more separate places, a separate  
 26 State license for each place is required. For the purpose of this Article, a specialty  
 27 market is not considered a specialty market vendor's place of business.

28 (c) Tax Period. – ~~Every State license issued under this Article or schedule shall~~  
 29 be for 12 months, shall expire on the thirtieth day of June of each year, and shall be for  
 30 the full amount of tax ~~prescribed, provided, that where prescribed.~~ However, if the tax is  
 31 levied on an annual basis and the licensee begins ~~such the~~ business or exercises ~~such the~~  
 32 privilege after the first day of January and prior to the thirtieth day of June of each year,  
 33 then ~~such licensee shall be the~~ licensee is required to pay one half of the tax prescribed  
 34 other than the tax prescribed to be computed and levied upon a gross receipts ~~and/or or~~  
 35 percentage basis ~~for the conducting of such business or the exercising of such privilege to and~~  
 36 ~~including conducting the business or exercising the privilege through~~ the thirtieth day of  
 37 June, next following. Every county, city and town county license and municipality  
 38 license issued under this Article or schedule shall be for 12 months, and shall expire on  
 39 the thirty-first day of May or thirtieth day of June of each year as the governing body of  
 40 ~~such county, city or town may determine. Provided, that where the~~ county or municipality  
 41 may determine. ~~However, if the licensee begins such the~~ business or exercises ~~such the~~  
 42 privilege after the expiration of seven months of the current license year of ~~such the~~  
 43 municipality, then ~~such licensee shall be the~~ licensee is required to pay one half of the tax

1 prescribed other than the tax prescribed to be computed upon a gross receipts ~~and/or~~ or  
2 percentage basis.

3 (d) Transfer of License. – The State license issued under G.S. ~~105-41, 105-42,~~  
4 ~~105-45, 105-53, 105-54, 105-55, 105-58, and 105-91 shall be and constitute 105-54~~  
5 constitutes a personal privilege to conduct the profession or business named in the State  
6 license, shall not be is not transferable to any other person, firm or corporation and shall be  
7 construed to limit the person, firm or corporation and limits the person named in the license  
8 to conducting the profession or business and exercising the privilege named in the State  
9 license to the county and/or city-county, municipality, and location specified in the State  
10 license, unless otherwise provided in this Article or schedule. Article. Other Any other  
11 license issued for a tax year for the conduct of a business at a specified location shall  
12 upon a sale or transfer of the business be deemed a sufficient license for the succeeding  
13 purchaser for the conduct of the business specified at such that location for the balance  
14 of the tax year. Provided, that if the holder of a license under this schedule-year. If a person  
15 licensed under this Article moves the business for which a license has been paid to  
16 another location, a new license may be issued to the licensee at a new location for the  
17 balance of the license year, upon surrender of the original license for cancellation and  
18 the payment of a fee of five dollars (\$5.00) for each license certificate reissued.

19 (e) Repealed by Session Laws 1989, c. 584, s. 1.

20 (f) When Taxes Due. – All State taxes imposed by this Article shall be paid to  
21 the Secretary of Revenue, or to one of his deputies; ~~shall be due and payable~~ on or before  
22 the first day of July of each year, and after ~~such that~~ date shall be deemed delinquent,  
23 and subject to all the remedies available and the penalties imposed for the payment of  
24 delinquent State license and privilege taxes; ~~provided, that if a person, firm, or corporation~~  
25 begins any taxes. If a person begins a business or the exercise of any a privilege  
26 requiring a license under this Article or schedule after the thirtieth day of June and prior to  
27 the thirtieth day of the following June of any year, then such person, firm, or corporation shall  
28 apply during the tax year, the person must apply for and obtain a State license for  
29 conducting such business or exercising any such privilege the required State license in  
30 advance, and before the beginning of such the business or the exercise of such privilege;  
31 and a failure to so apply and to obtain such State license shall be and constitute a delinquent  
32 payment of the State license tax due, and such person, firm, or corporation shall be subject to  
33 the remedies available and penalties imposed for the payment of such delinquent taxes.  
34 exercising the privilege. Failure to obtain the license in advance constitutes a  
35 delinquent payment of the license tax due.

36 (g) ~~The taxes imposed and the rates specified in this Article or schedule shall~~  
37 ~~apply to the subjects taxed on and after the first day of June, 1939, and prior to said date~~  
38 ~~the taxes imposed and the rates specified in the Revenue Act of 1937 shall apply.~~

39 (h) Effect of Transfer of Business. – It shall be the duty of a grantee, transferee,  
40 or purchaser of any business or property subject to the State license taxes imposed in  
41 this Article to make diligent inquiry as to whether the State license tax has been paid,  
42 but when ~~such the~~ business or property has been granted, sold, transferred, or conveyed  
43 to an innocent purchaser for value and without notice that the vendor owed or is liable  
44 for any of the State license taxes imposed under this Article, ~~such the~~ property, while in

1 the possession of such innocent purchaser, ~~shall not be subject to any lien for such~~ is not  
2 subject to a lien for the State license taxes.

3 (i) Collection of Local Taxes. – The tax collector of a county or ~~city~~ municipality  
4 shall issue licenses required under this Article by the governing body of the county or  
5 ~~city~~ municipality and shall collect the taxes due for these licenses.

6 (j) Penalty for False Application. – ~~Any person, firm, or corporation who shall~~  
7 ~~wilfully make any~~ Willfully making a false statement in an application for a license  
8 under any section of this Article or schedule shall be guilty of a misdemeanor, and upon  
9 conviction shall be fined and/or imprisoned in the discretion of the court, which fine  
10 shall not be less than the amount of tax specified under such section, and shall be in  
11 addition to the amount of such tax. this Article is a misdemeanor punishable by a fine of  
12 not less than the amount of tax due, imprisonment, or both.

13 (k) Repealed by Session Laws 1987, c. 190."

14 Sec. 3. G.S. 105-33.1 reads as rewritten:

15 "**§ 105-33.1. Definitions.**

16 The following definitions apply in this Article:

- 17 (1) Code. – ~~The Internal Revenue Code as enacted as of January 1, 1992,~~  
18 ~~including any provisions enacted as of that date which become~~  
19 ~~effective either before or after that date.~~
- 20 (2) Municipality. – A municipal corporation organized under the laws of  
21 this State.
- 22 (3) Person. – An individual, a firm, a partnership, an association, a  
23 corporation, or another organization or group acting as a unit.
- 24 (4) Secretary. – The Secretary of Revenue."

25 Sec. 4. G.S. 105-37.1 reads as rewritten:

26 "**§ 105-37.1. Amusements – Forms of amusement not otherwise taxed.**

27 (a) ~~Every person, firm, or corporation~~ person engaged in the business of giving,  
28 ~~offering~~ offering, or managing any form of entertainment or amusement not otherwise  
29 taxed or specifically exempted in this Article, for which an admission is charged, shall  
30 pay an annual license tax of fifty dollars (\$50.00) for each room, hall, ~~tent or other place~~  
31 ~~where such admission charges are made.~~ tent, or other place where the admission is  
32 charged.

33 In addition to the license tax levied above, ~~such person, firm, or corporation~~ the person  
34 shall pay an additional tax upon the gross receipts of ~~such~~ the business at the rate of ~~three~~  
35 ~~percent (3%).~~ four percent (4%). Reports shall be made to the ~~Secretary of Revenue,~~ in  
36 ~~such form as he may prescribe.~~ Secretary in the form prescribed by the Secretary within  
37 the first 10 days of each month covering all ~~such taxable~~ gross receipts for the previous  
38 month, and the additional tax ~~herein levied~~ shall be paid monthly at the time ~~such~~ the  
39 reports are made. The annual license tax ~~herein levied~~ shall be treated as an advance  
40 payment of the tax upon gross receipts herein levied, and the annual license tax shall be  
41 applied as a credit upon or advance payment of the gross receipts tax.

42 Every ~~person, firm, or corporation~~ person giving, offering, or managing any dance or  
43 athletic contest of any kind, except high school and elementary school athletic contests,  
44 for which an admission fee in excess of fifty cents (50¢) is charged, shall pay an annual

1 license tax of fifty dollars (\$50.00) for each location where ~~such the~~ charges are made,  
2 and, in addition, a tax upon the gross receipts derived from admission charges at the rate  
3 of ~~three percent (3%)~~ four percent (4%). The additional tax upon gross receipts shall be  
4 levied and collected ~~in accordance with such regulations as may be made by the Secretary of~~  
5 ~~Revenue~~ as prescribed by the Secretary. No tax shall be levied on admission fees for  
6 high school and elementary school contests.

7 Dances and other amusements actually promoted and managed by civic  
8 organizations and private and public secondary schools, ~~shall not be~~ are not subject to the  
9 license tax imposed by this section and the first one thousand dollars (\$1,000) of gross  
10 receipts derived from ~~such these~~ events shall be exempt from the gross receipts tax  
11 ~~herein levied~~ when the entire proceeds of ~~such the~~ dances or other amusements are used  
12 exclusively for the school or civic and charitable purposes of ~~such the~~ organizations and  
13 not to defray the expenses of the organization conducting ~~such the~~ dance or amusement.  
14 The mere sponsorship of dance or other amusement by such a school, civic, or fraternal  
15 organization ~~shall not be deemed to exempt such~~ does not exempt the dance or other  
16 amusement as provided in this ~~paragraph~~, but the exemption shall apply paragraph; the  
17 exemption applies only when the dance or amusement is actually managed and  
18 conducted by the school, civic, or fraternal organization and the proceeds are used as  
19 ~~herein before required~~ provided in this paragraph.

20 Dances and other amusements promoted and managed by a qualifying corporation  
21 that operates a center for the performing and visual arts are exempt from the license tax  
22 and the gross receipts tax imposed under this section if the dance or other amusement is  
23 held at the center. 'Qualifying corporation' means a corporation that is exempt from  
24 income tax under G.S. 105-130.11(a)(3). 'Center for the performing and visual arts'  
25 means a facility, having a fixed location, that provides space for dramatic performances,  
26 studios, classrooms and similar accommodations to organized arts groups and individual  
27 artists. This exemption shall not apply to athletic events.

28 The license and gross receipts taxes imposed by this section do not apply to a ~~person,~~  
29 ~~firm, or corporation that is~~ person who is exempt from income tax under Article 4 of this  
30 Chapter and is engaged in the business of operating a teen center. A 'teen center' is a  
31 fixed facility whose primary purpose is to provide recreational activities, dramatic  
32 performances, dances, and other amusements exclusively for teenagers.

33 (b) Counties shall not levy any license tax on the business taxed under this  
34 section, but ~~cities and towns~~ municipalities may levy a license tax not in excess of one  
35 half the base tax levied herein.

36 (c) No tax shall be collected pursuant to this section with respect to  
37 entertainments or amusements offered or given on the Cherokee Indian reservation  
38 when the ~~person, firm or corporation~~ person giving, ~~offering~~ offering, or managing ~~such~~  
39 the entertainment or amusement is authorized to do business on the reservation and pays  
40 the tribal gross receipts levy to the tribal council.

41 (d) It is not the purpose of this Article to discourage agricultural fairs in the State,  
42 and to further this cause, no carnival company taxable under this section may play a  
43 'still date' in any county where there is a regularly advertised agricultural fair, 30 days  
44 prior to the dates of the fair. This subsection does not restrict the date on which a fair or

1 tobacco festival may be held if (i) it is held by a veteran's organization or post chartered  
2 by Congress or organized and operated on a statewide or nationwide basis and (ii) the  
3 organization or post has held the fair or festival annually since before July 1, 1988."

4 Sec. 5. G.S. 105-38 reads as rewritten:

5 "**§ 105-38. Amusements – Circuses, menageries, wild west, dog and/or pony shows,**  
6 **etc.**

7 (a) Every ~~person, firm, or corporation~~ person engaged in the business of exhibiting  
8 performances, such as a circus, menagerie, wild west show, dog and/or pony show, or  
9 any other show, exhibition or performance similar thereto, not taxed in other sections of  
10 this Article, shall apply for and obtain a State license from the Secretary ~~of Revenue~~ for  
11 the privilege of engaging in ~~such~~ the business, and pay for ~~such~~ the license a tax of fifty  
12 dollars (\$50.00) for each day or part of a day for each place in the State where  
13 exhibitions or performances are to be given.

14 (b) Every ~~person, firm, or corporation~~ person by whom any show or exhibition  
15 taxed under this section is owned or controlled shall file with the ~~Secretary of Revenue,~~  
16 Secretary, not less than five days before entering this State for the purpose of ~~such~~ the  
17 exhibitions or performances therein, a statement, under oath, setting out in detail such  
18 information as may be required by the ~~Secretary of Revenue~~ covering the places in the  
19 State where exhibitions or performances are to be given, the character of the  
20 exhibitions, and such other and further information as may be required. Upon receipt of  
21 such statement, the ~~Secretary of Revenue~~ shall fix and determine the amount of State  
22 license tax with which ~~such person, firm, or corporation~~ the person is chargeable, shall  
23 endorse ~~his findings upon such statement,~~ this finding upon the statement, and shall  
24 transmit a copy of ~~such~~ the statement and findings to ~~each such person, firm, or corporation~~  
25 the person to be ~~charged,~~ charged and to the sheriff or tax collector of each county in  
26 which exhibitions or performances are to be given, ~~and to the division deputy of the~~  
27 ~~Secretary of Revenue,~~ with full and particular instructions as to the State license tax to be  
28 paid. Before giving any of the exhibitions or performances provided for in ~~such~~  
29 ~~statement, the person, firm, or corporation making such statement~~ the statement, the person  
30 making the statement shall pay the ~~Secretary of Revenue~~ the tax so fixed and determined.  
31 If one or more of ~~such~~ the exhibitions or performances included in ~~such~~ the statement  
32 and for which the tax has been paid ~~shall be canceled,~~ is cancelled, the ~~Secretary of~~  
33 ~~Revenue~~ may, upon proper ~~application made to him,~~ application by the taxpayer, refund  
34 the tax for ~~such canceled~~ the cancelled exhibitions or performances. Every ~~such person,~~  
35 ~~firm, or corporation~~ shall give to the ~~Secretary of Revenue~~ a notice of not less than five days  
36 before giving any of such exhibitions or performances in each county.

37 (c) The sheriff of each county in which ~~such~~ the exhibitions or performances are  
38 advertised to be exhibited shall promptly communicate ~~such information to the Secretary~~  
39 ~~of Revenue; and if this information to the Secretary.~~ the statement required in this section  
40 ~~has not been filed as provided herein, or not filed in time for certified copies thereof, with~~  
41 ~~proper instructions, to be transmitted to the sheriffs of the several counties and the division~~  
42 ~~deputy, the Secretary of Revenue shall cause his division deputy to attend at one or more points~~  
43 ~~in the State where such exhibitions or performances are advertised or expected to exhibit, for~~  
44 ~~the purpose of securing such statement prescribed in this section, of fixing and determining the~~

1 amount of State license tax with which such person, firm, or corporation is taxable, and to  
2 collect such tax or give instructions for the collection of such tax.

3 (d) Every ~~such person, firm, or corporation~~ person by whom ~~or which~~ any such ~~an~~  
4 exhibition or performance described in this section is given ~~in any county, city or town, or~~  
5 ~~within five miles thereof, wherein~~ in or within five miles of a county or municipality in  
6 which is held an annual agricultural fair, during the week of ~~such the~~ annual agricultural  
7 fair, shall pay a State license of one thousand dollars (\$1,000) for each exhibition or  
8 performance in addition to the license tax first levied in this section, to be assessed and  
9 collected by the ~~Secretary of Revenue or his duly authorized deputy~~ Secretary.

10 (e) The provisions of this section, or any other section of this Article, ~~shall not be~~  
11 ~~construed to do not~~ allow without the payment of the tax imposed in this section, any  
12 exhibition or performance described in this section for charitable, benevolent,  
13 educational, or any other purpose whatsoever, by any person, firm, or corporation who  
14 is engaged in giving ~~such these~~ exhibitions or performances, no matter what terms of  
15 contract may be entered into or under what auspices such exhibitions or performances  
16 are given. ~~It being the intent and purpose of this section that every person, firm, or corporation~~  
17 ~~who or which is engaged in the business of giving such exhibitions or performances, whether a~~  
18 ~~part or all of the proceeds are for charitable, benevolent, educational, or other purposes or not,~~  
19 ~~shall pay the State license tax imposed in this section.~~

20 (f) Upon all performances taxable under this section there is levied, in addition  
21 to the license tax levied in this section, a tax upon the gross receipts of such business at  
22 the rate of ~~three percent (3%).~~ four percent (4%). ~~The license tax herein levied shall be~~  
23 ~~treated as an advance payment of the tax upon gross receipts herein levied, and the license tax~~  
24 ~~shall be applied as a credit upon or advance payment of the gross receipts tax. The~~  
25 ~~Secretary of Revenue may adopt such regulations as may be necessary to effectuate the~~  
26 ~~provisions of this section and shall prescribe the form and character of reports to be made, and~~  
27 ~~shall have such authority of supervision as may be necessary to effectuate the purpose of this~~  
28 ~~Subchapter.~~

29 (g) ~~In lieu of the tax levied in G.S. 105-86, each circus, or other form of~~  
30 ~~amusement taxed under this section, advertising by means of outdoor advertising~~  
31 ~~displays, a bill posting or as otherwise defined in G.S. 105-86, shall pay a tax of one~~  
32 ~~hundred dollars (\$100.00) for a statewide license for the privilege of advertising in this~~  
33 ~~manner, said tax to be in addition to the other taxes levied in this section.~~

34 (h) ~~Counties, cities, and towns~~ Counties and municipalities may levy a license tax  
35 on the business taxed under this section not in excess of ~~one half~~ one-half of the license  
36 tax levied by the State, but shall not levy a parade tax or a tax under subsection (g) of this  
37 ~~section.~~ tax."

38 Sec. 6. G.S. 105-50 reads as rewritten:

39 "**§ 105-50. Pawnbrokers.**

40 (a) Every ~~person, firm, or corporation engaged in and conducting~~ person engaged in  
41 the business of lending or advancing money or other things of value for a profit, and  
42 taking as a pledge for ~~such the~~ loan specific articles of personal property, to be forfeited  
43 if payment is not made within a definite time, ~~shall be deemed~~ is considered  
44 a pawnbroker, and shall pay for the privilege of transacting ~~such the~~ business an annual  
45 license tax of two hundred seventy-five dollars (\$275.00).

1       ~~(b) Before such pawnbroker shall receive any article or thing of value from any~~  
 2 ~~person or persons on which a loan or advance is made, he shall issue a duplicate ticket,~~  
 3 ~~one to be delivered to the owner of said personal property and the other to be attached to~~  
 4 ~~the article, and said ticket shall have an identifying number on the one side, together~~  
 5 ~~with the date at the expiration of which the pledger forfeits his right to redeem, and on~~  
 6 ~~the other a full and complete copy of this subsection; but such pawnbroker may, after~~  
 7 ~~the pledger has forfeited his right to redeem the specific property pledged, sell the same~~  
 8 ~~at public auction, deducting from the proceeds of sale the money or fair value of the~~  
 9 ~~thing advanced, the interest accrued, and the cost of making sale, and shall pay the~~  
 10 ~~surplus remaining to the pledger.~~

11       ~~(c) Any person, firm, or corporation transacting the business of pawnbroker~~  
 12 ~~without a license as provided in this section, or violating any of the provisions of this~~  
 13 ~~section, shall be guilty of a misdemeanor and fined not less than fifty dollars (\$50.00)~~  
 14 ~~nor more than five hundred dollars (\$500.00).~~

15       ~~(d) Counties, cities, and towns~~ Counties and municipalities may levy a license tax  
 16 on the business taxed under this section not in excess of that levied by the State."

17       Sec. 7. G.S. 105-54 reads as rewritten:

18       "**§ 105-54. Contractors and construction companies.**

19       ~~(a) Every person, firm, or corporation~~ person who, for a fixed price, commission,  
 20 fee, or wage, offers or bids to construct within the State of North Carolina any building,  
 21 highway, street, sidewalk, bridge, culvert, sewer or water system, drainage or dredging  
 22 system, railway, reservoir or dam, hydraulic or power plant, transmission line, tower,  
 23 dock, wharf, excavation, grading or other improvement or structure, or any part thereof,  
 24 the cost of which exceeds the sum of ten thousand dollars (\$10,000), shall apply for and  
 25 obtain from the Secretary of Revenue an annual statewide license, and shall pay for such  
 26 license a tax of one hundred dollars (\$100.00) at the time of or prior to offering or  
 27 submitting any bid on any of the above enumerated projects.

28       ~~(b) In addition to the tax levied in subsection (a) of this section, every person,~~  
 29 ~~firm, or corporation~~ person who, for a fixed price, commission, fee, or wage, undertakes  
 30 or executes a contract for the construction, or who superintends the construction of any  
 31 of the above enumerated projects, shall, before or at the time of entering into ~~such~~  
 32 ~~projects and/or such contract,~~ the project or contract apply for and procure from the  
 33 Secretary of Revenue a statewide license, and shall pay for such license the following  
 34 tax:

35       When the total contract price or estimated cost of such project is over:

36       \$ 5,000	and not more than	\$ 50,000	\$ 50.00
37       50,000	and not more than	100,000	125.00
38       100,000	and not more than	250,000	175.00
39       250,000	and not more than	500,000	300.00
40       500,000	and not more than	750,000	400.00
41       750,000	and not more than	1,000,000	500.00
42       1,000,000			625.00

43       ~~(c) The application for license under subsection (b) of this section shall be made~~  
 44 ~~to the Secretary of Revenue and shall be accompanied by the affidavit of the applicant,~~



1 stating the contract price, if known, and if the contract price is not known, ~~his~~ the  
2 applicant's estimate of the entire cost of the ~~said~~ improvement or structure, and if  
3 structure. If the applicant proposes to construct only a part of said ~~the~~ improvement or  
4 structures, the affidavit shall state the contract price, if known, or his ~~the~~ applicant's  
5 estimated cost of the part of the project he ~~the~~ applicant proposes to superintend or  
6 construct.

7 ~~In the event~~ If the construction of any of the above-mentioned improvements or  
8 structures ~~shall be~~ is divided and let under two or more contracts to the same ~~person, firm,~~  
9 ~~or corporation,~~ person, the several contracts shall be considered as one contract for the  
10 purpose of this Article, and the Secretary ~~of Revenue shall collect from such person, firm,~~  
11 ~~or corporation the license tax herein imposed~~ shall collect the license tax from that person  
12 as if only one contract had been entered into for the entire improvement or structure.

13 (d) ~~In the event any person, firm, or corporation~~ If a person has procured a license in  
14 one of the lower classes provided for in subsection (b) of this section, and constructs or  
15 undertakes to construct or to superintend any of the above-mentioned improvements or  
16 structures or parts thereof, the completed cost of which is greater than that covered by  
17 the license already secured, ~~application shall be made to the Secretary of Revenue,~~ the  
18 person shall apply to the Secretary for a license to cover the total cost, surrender the  
19 license certificate previously issued, and pay ~~accompanied by the license certificate held by~~  
20 ~~the applicant, which shall be surrendered to the Secretary of Revenue, and upon paying the~~  
21 ~~difference between the cost of the license surrendered and the price of the license~~  
22 ~~applied for, the Secretary of Revenue shall issue to the applicant the annual statewide license~~  
23 ~~applied for, showing thereon that for.~~ The Secretary shall then issue a new license, noting  
24 on the certificate that it was issued on the surrender of the former license and payment  
25 of the additional tax.

26 (e) No employee or subcontractor of ~~any person, firm, or corporation who or which~~  
27 ~~has paid the tax herein provided for, shall be~~ a person licensed under this section is required  
28 to pay the license tax provided for in this section while ~~so employed by such person, firm,~~  
29 ~~or corporation employed by that person.~~

30 (f) In the event joint bidders ~~shall~~ submit one joint bid for the construction of any  
31 of the projects enumerated under subsection ~~(a),~~ (a) of this section, each of the joint  
32 bidders shall procure in ~~his~~ its own name a bidder's license under subsection ~~(a);~~  
33 ~~provided, that if (a) of this section.~~ If a joint bidder has already procured a bidder's  
34 license for the current year, he ~~the~~ bidder will not be required to procure an additional  
35 bidder's license by reason of joining in a joint bid, ~~and the license so procured shall entitle~~  
36 ~~the licensee to submit other bids, either severally or in conjunction with others, during the~~  
37 ~~remainder of the current license tax year. In the event a contract shall be bid. If a contract is~~  
38 awarded to joint bidders, a new project license shall be procured under subsection (b) of  
39 this section in the full amount of the contract price or estimated cost of the project, in  
40 the same name or names under which the contract is ~~awarded,~~ awarded. This new  
41 license will be valid for the remainder of the license tax year only for the same identical  
42 combination of joint bidders in other joint projects, but will not be valid for a part of the  
43 joint bidders, nor for all of them plus others, nor for a part of them plus others. projects.

1 For the purpose of this subsection, 'joint bidders' ~~shall mean~~ means two or more  
2 separate entities consisting of either individuals, ~~partnerships~~ partnerships, or  
3 corporations who ~~or which~~ combine for the purpose of submitting one joint bid for the  
4 construction of a particular project, or who ~~or which~~ jointly enter into a contract for the  
5 construction of a particular project.

6 (g) Counties shall not levy any license tax on the business taxed under this  
7 section, but ~~cities and towns~~ municipalities may levy an annual contractor's license tax  
8 not in excess of ten dollars (\$10.00) when the license provided for under this section has  
9 been paid. ~~Provided, that this subsection shall not be construed to~~ paid. This subsection does  
10 not prevent the collection of building, electrical, and plumbing inspection charges by  
11 municipalities to cover the actual cost of ~~said~~ the inspection.

12 (h) ~~The tax under this section shall not apply to the business taxed in G.S. 105-~~  
13 ~~91."~~

14 Sec. 8. G.S. 105-66.1 reads as rewritten:

15 "**§ 105-66.1. Electronic video games.**

16 (a) Every ~~person, firm, or corporation~~ person engaged in the business of owning or  
17 operating machines that play electronic video games when a coin or other thing of value  
18 is deposited in the machine shall obtain from the Secretary ~~of Revenue~~ a statewide  
19 license for each machine owned or operated and shall pay a tax of fifteen dollars  
20 (\$15.00) for each license. An application for a license shall include the serial number of  
21 the machine operated. The licensee shall attach the license to the machine in a  
22 conspicuous place. No person may allow an unlicensed video game machine in a place  
23 of business occupied by that person. Licenses issued under this section are not  
24 transferable from one machine to another. The Secretary may seize any machine not  
25 licensed in accordance with this section and may hold the machine until it is duly  
26 licensed. All machines licensed under this section shall have a counter that records the  
27 number of games played or the amount of money deposited in the machine, or both.

28 (b) ~~As used in this section, a person, firm, or corporation~~ For the purpose of this  
29 section, a person is 'engaged in the business of owning an electronic video game  
30 machine' if he the person owns the machine and locates it in his the person's own place  
31 of business; and a person, firm, or corporation business. For the purpose of this section, a  
32 person is 'engaged in the business of operating an electronic video game machine' if he  
33 the person locates, exhibits, displays, or permits to be exhibited or displayed an  
34 electronic video game machine in a place of business other than his the person's own.

35 (c) ~~Counties, cities, and towns~~ Counties and municipalities may levy a tax, not to  
36 exceed five dollars (\$5.00) per machine, on the business taxed under this section."

37 Sec. 9. G.S. 105-72 reads as rewritten:

38 "**§ 105-72. Persons, firms, or corporations** Persons selling certain oils.

39 (a) ~~Every person, firm, or corporation~~ Except as provided in subsection (f) of this  
40 section, every person engaged in the business of selling illuminating oil or greases, or  
41 benzine, naphtha, gasoline, or other products of like kind shall apply for and procure  
42 from the Secretary ~~of Revenue~~ a State license for the privilege of conducting such  
43 business, and shall pay for the ~~same~~ license a tax of two dollars and fifty cents (\$2.50).

1 (b) ~~In~~ Except as provided in subsection (f) of this section, in addition to the tax  
 2 herein levied under subsection (a) of this section, ~~such person, firm, or corporation shall pay~~  
 3 ~~to the Secretary of Revenue, the person shall pay the Secretary~~ on or before the first day  
 4 of July of each year, an annual additional license tax equal to five percent (5%) of the  
 5 total gross sales for the preceding year or part of the year that the business is so  
 6 conducted or the privilege so exercised, when the total gross sales of ~~such~~ the  
 7 commodities exceed five thousand dollars (\$5,000), or pro rata for a part of the year.

8 (c) The amount of ~~such~~ the total gross sales shall be returned to the Secretary of  
 9 Revenue on or before the date specified in subsection (b) of this section by ~~such person,~~  
 10 ~~firm, or corporation, the person,~~ verified by the oath of the person making the return,  
 11 upon such forms and in such detail as may be required by the Secretary of Revenue.  
 12 Secretary.

13 (d) Counties shall not levy any license tax on the business taxed under this  
 14 section; but ~~cities or towns~~ municipalities in which there is located an agency, station, or  
 15 warehouse for the distribution or sale of ~~such~~ the commodities enumerated in this  
 16 section may levy the following license tax:

17 In incorporated towns and cities of less than 10,000 population  
 18 .....\$25.00

19 In cities and towns of 10,000 population and over .....50.00

20 (e) Any ~~person, firm, or corporation~~ person subject to this license tax, and doing  
 21 business in this State without having paid ~~such~~ the license tax, shall be fined one  
 22 thousand dollars (\$1,000), and in addition thereto double the tax imposed by this  
 23 section.

24 (f) ~~No license or privilege tax, other than the license tax permitted in this section~~  
 25 ~~to cities or towns, shall be levied or collected for the privilege of engaging in or doing~~  
 26 ~~the business named in this section from any person, firm, or corporation paying the~~  
 27 ~~inspection fees and charges provided for under the Chapter, Agriculture, except license~~  
 28 ~~taxes levied in G.S. 105-89 and 105-99. The State tax levied in this section does not~~  
 29 ~~apply to a person who pays the inspection fees levied in Article 3 of Chapter 119 of the~~  
 30 General Statutes."

31 Sec. 10. G.S. 105-75.1 reads as rewritten:

32 "**§ 105-75.1. Municipal license tax on barbershops and beauty salons.**

33 ~~Cities and towns~~ Municipalities may levy a license tax on every ~~person, firm, or~~  
 34 ~~corporation~~ person engaged in the business of conducting a barbershop, beauty salon, or  
 35 other shop of like kind for the privilege of conducting ~~such~~ the business at a rate not to  
 36 exceed the following:

37 For each barber, manicurist, cosmetologist, beautician, or other operator employed  
 38 in ~~such~~ the barbershop or beauty shop or parlor – \$2.50."

39 Sec. 11. G.S. 105-83 reads as rewritten:

40 "**§ 105-83. Installment paper dealers.**

41 (a) Every person engaged in the business of dealing in, buying, or discounting  
 42 installment paper, notes, bonds, contracts, or evidences of debt, where at the time of or  
 43 in connection with the execution of ~~said~~ the instruments, a lien is reserved or taken upon  
 44 personal property located in this State to secure the payment of ~~such~~ the obligations,

1 shall apply for and obtain from the Secretary a State license for the privilege of  
2 engaging in ~~such the~~ business or for the purchasing of ~~such the~~ obligations in this State,  
3 and shall pay for ~~such the~~ license an annual tax of one hundred dollars (\$100.00).

4 (b) In addition to obtaining a State license from the Secretary, each person  
5 subject to the tax levied in subsection (a) shall submit to the Secretary quarterly no later  
6 than the twentieth day of January, April, July, and October of each year, upon forms  
7 prescribed by the Secretary, a full, accurate, and complete statement, verified by the  
8 officer, agent, or person making the statement, of the total face value of the installment  
9 paper, notes, bonds, contracts, and evidences of debt dealt in, bought, or discounted  
10 within the preceding three calendar months and, at the same time, shall pay a tax of two  
11 hundred and seventy-five thousandths of one percent (.275%) of the face value of these  
12 obligations.

13 (c) If any person deals in, buys, or discounts any obligations described in this  
14 section without obtaining the license required by this section or paying a tax imposed by  
15 this section, the person may not bring an action in a State court to enforce collection of  
16 an obligation dealt in, bought, or discounted during the period of noncompliance with  
17 this section until the person obtains the license and pays the amount of tax, penalties,  
18 and interest due.

19 (d) This section does not apply to corporations liable for the tax levied under  
20 G.S. 105-102.3.

21 (e) ~~Counties, cities, and towns~~ Counties and municipalities shall not levy any  
22 license tax on the business taxed under this section."

23 Sec. 12. G.S. 105-88 reads as rewritten:

24 "**§ 105-88. Loan agencies or brokers.**

25 (a) Every ~~person, firm, or corporation~~ person engaged in the regular business of  
26 making loans or lending money, accepting liens on, or contracts of assignments of,  
27 salaries or wages, or any part thereof, or other security or evidence of debt for  
28 repayment of ~~such the~~ loans in installment payment or otherwise, and maintaining in  
29 connection with ~~same the business~~ any office or other located or established place for  
30 the conduct, negotiation, or transaction of ~~such business and/or the business, or~~  
31 advertising or soliciting ~~such the~~ business in any manner whatsoever, ~~shall be deemed is~~  
32 considered a loan agency, and shall apply for and procure from the Secretary of Revenue  
33 a State license for the privilege of transacting or negotiating ~~such the~~ business at each  
34 office or place so maintained, and shall pay for ~~such the~~ license a tax of seven hundred  
35 fifty dollars (\$750.00).

36 (b) Nothing in this section shall be construed to apply to banks, industrial banks,  
37 trust companies, building and loan associations, or cooperative credit unions, nor shall it  
38 apply to the business of negotiating loans on real estate ~~as described in G.S. 105-41, estate,~~  
39 nor to pawnbrokers lending or advancing money on specific articles of personal  
40 property, nor to insurance premium finance companies licensed under Article 35 of  
41 Chapter 58 of the General Statutes. It shall apply to those persons or concerns operating  
42 what are commonly known as loan companies or finance companies and whose business  
43 is as hereinbefore described, and those ~~persons, firms, or corporations~~ persons pursuing  
44 the business of lending money and taking as security for the payment of ~~such the~~ loan

1 and interest an assignment of wages or an assignment of wages with power of attorney  
 2 to collect ~~same, the wages,~~ or other order or chattel mortgage or bill of sale upon  
 3 household or kitchen furniture.

4 No real estate mortgage broker shall be required to obtain a privilege license under  
 5 this section merely because ~~he advances his~~ the broker does any of the following:

6 (1) Advances the broker's own funds and takes a security interest in real  
 7 estate to secure such the advances and when, at the time of such advance  
 8 of his own funds, he the advance of these funds, the broker has already  
 9 made arrangements with others for the sale or discount of the  
 10 obligation at a later date and does so sell or discount such the  
 11 obligation within the period specified in said the arrangement or  
 12 extensions thereof; or when, of the period.

13 (2) Advances the broker's own funds and takes a security interest in real  
 14 estate to secure the advances when, at the time of the advance of his  
 15 own funds, he the funds, the broker intends to sell the obligation to  
 16 others at a later date and does, within 12 months from after the date of  
 17 initial advance, make arrangements with others for the sale of said the  
 18 obligation and does sell the obligation within the period specified in  
 19 said the arrangement or extensions thereof; or because he advances his  
 20 own of the period.

21 (3) Advances the broker's own funds in temporary financing directly  
 22 involved in the production of permanent-type loans for sale to others;  
 23 and no real estate mortgage broker whose mortgage lending operations are  
 24 essentially as described above shall be required to obtain a privilege license  
 25 under this section. others.

26 (c) At the time of making any such loan, the person, or officer of the firm or  
 27 corporation making the same, a loan to which this section applies, the lender shall give to  
 28 the borrower in writing in convenient form a statement showing the amount received by  
 29 the borrower, the amount to be paid back by the borrower, and the time in which said the  
 30 amount is to be paid, and the rate of interest and discount agreed upon.

31 (d) Any such person, firm, or corporation failing, refusing, or neglecting to pay the tax  
 32 herein levied shall be person who fails, refuses, or neglects to pay the tax levied in this  
 33 section is guilty of a misdemeanor, and in addition to double the tax due shall be fined  
 34 not less than two hundred and fifty dollars (\$250.00) and/or (\$250.00), imprisoned, or  
 35 both in the discretion of the court. No such loan shall be A loan to which this section  
 36 applies is not collectible at law in the courts of this State in any case where if the person  
 37 making such the loan has failed to pay the tax levied herein, and/or in this section or has  
 38 otherwise ~~complied~~ failed to comply with the provisions of this section.

39 (e) Counties, cities, and towns Counties and municipalities may levy a license tax  
 40 on the business taxed under this section not in excess of one hundred dollars (\$100.00)."

41 Sec. 13. G.S. 105-89 reads as rewritten:

42 "**§ 105-89. Automobiles, wholesale supply ~~dealers~~ dealers, and service stations.**

43 (a) Automotive Service Stations. –

- 1 (1) Every ~~person, firm, or corporation~~ person engaged in the business of  
2 servicing, storing, painting, repairing, welding, or upholstering motor  
3 vehicles, trailers, or semitrailers, or engaged in the business of retail  
4 selling and/or delivering of any tires, tools, batteries, electrical  
5 equipment, automotive accessories, including radios designed for  
6 exclusive use in automobiles, or supplies, motor fuels and/or  
7 lubricants, or any of such commodities, in this State, shall apply for  
8 and obtain from the Secretary of ~~Revenue~~ a State license for the  
9 privilege of engaging in such business in this State, and shall pay for  
10 such license an annual tax of fifty dollars (\$50.00) for each location  
11 where such business is carried on.
- 12 (2), (3) Repealed by Session Laws 1985 (Reg. Sess., 1986), c. 985, s. 1.
- 13 (4) No additional license tax under this subsection shall be levied upon or  
14 collected from any employee, agent, or ~~salesman~~ sales representative  
15 whose employer or principal has paid the tax for each location levied  
16 in this subsection.
- 17 (5) ~~The tax imposed in G.S. 105-53 shall not apply to the sale of gasoline~~  
18 ~~to dealers for resale.~~
- 19 (6) ~~Counties, cities, and towns~~ Counties and municipalities may levy a  
20 license tax upon each place of business located therein under this  
21 subsection not in excess of ~~one-fourth~~ one-fourth of that levied by the  
22 State.
- 23 (7) ~~A person, firm, or corporation~~ person required to be licensed under this  
24 subsection is not required to procure the license under G.S. 105-102.5  
25 for the same location.
- 26 (b) Automotive Equipment and Supply Dealers at Wholesale. –
- 27 (1) Every ~~person, firm, or corporation~~ person engaged in the business of  
28 buying, selling, distributing, exchanging, and/or delivering automotive  
29 accessories, including radios designed for exclusive use in  
30 automobiles, parts, tires, tools, batteries, and/or other automotive  
31 equipment or supplies or any of such commodities at wholesale shall  
32 apply for and obtain from the Secretary of ~~Revenue~~ a State license for  
33 the privilege of engaging in such business in this State, and shall pay  
34 for such license an annual tax of seventy-five dollars (\$75.00) for each  
35 location where such business is carried on.
- 36 ~~Provided, any person, firm, or corporation~~ Any person engaged in the  
37 business enumerated in this section and having no located place of  
38 business, but selling to retail dealers by use of some form of vehicle,  
39 shall obtain from the Secretary of ~~Revenue~~ a statewide license for the  
40 privilege of engaging in such business in this State, and shall pay for  
41 such license an annual tax for each vehicle used in carrying on such  
42 business fifty dollars (\$50.00).

- 1 (2) For the purpose of this section, the word 'wholesale' ~~shall apply~~ applies  
2 to manufacturers, jobbers, and ~~such~~ others who sell to retail dealers,  
3 ~~except but not to~~ manufacturers of batteries.
- 4 (3) No additional license tax under this subsection shall be levied upon or  
5 collected from any employee, agent, or ~~salesman~~ sales representative  
6 whose employer or principal has paid the tax for each location levied  
7 in this subsection.
- 8 (4) ~~Counties, cities, and towns~~ Counties and municipalities may levy a  
9 license tax on each place of business located therein, taxed under this  
10 subsection, not in excess of ~~one half~~ one-half of that levied by the  
11 State.
- 12 (5) ~~No person, firm, or corporation paying the wholesalers' tax as levied in~~  
13 ~~subsection (b) hereof shall be~~ A person who pays the tax levied in this  
14 subsection is not required to pay any additional tax under subsection  
15 (a) of this section for engaging in any of the types of business levied upon  
16 in said subsection (a). ~~section.~~
- 17 (6) ~~A person, firm, or corporation required to be licensed under this~~  
18 ~~subsection is not required to procure the license under G.S. 105-102.5~~  
19 ~~for the same location.~~
- 20 (c) Motor Vehicle Dealers. –
- 21 (1) ~~Every person, firm, or corporation~~ person engaged in the business of  
22 buying, selling, distributing, servicing, storing and/or exchanging  
23 motor vehicles, trailers, semitrailers, tires, tools, batteries, electrical  
24 equipment, lubricants, and/or automotive equipment, including radios  
25 designed for exclusive use in automobiles, and supplies in this State  
26 shall apply for and obtain from the Secretary of Revenue a State license  
27 for the privilege of engaging in such business in this State, and shall  
28 pay for such license an annual tax of one hundred dollars (\$100.00) for  
29 each location where such business is carried on.
- 30 ~~Provided, that persons, firms, or corporations dealing~~ A person who  
31 deals exclusively in secondhand or used motor vehicles ~~exclusively~~  
32 ~~shall be~~ is liable for the tax unless ~~such~~ the business is of a seasonal,  
33 temporary, transient, or itinerant nature, in which event the tax shall be  
34 three hundred dollars (\$300.00) for each location where ~~such~~ the  
35 business is carried on.
- 36 (2) ~~Any person, firm, or corporation who or which~~ person who deals  
37 exclusively in motor fuels and lubricants, and has paid the license tax  
38 levied under subsection (a) of this section, ~~shall not be~~ is not subject to  
39 any license tax under subsections (b) and (c) of this section. ~~A person,~~  
40 ~~firm, or corporation~~ person licensed under this subsection is not required  
41 to be licensed under subsections (a) or (b) of this section.
- 42 (3) Exemptions. – The license tax levied in this subsection does not apply  
43 to any of the following: ~~No additional license tax under this subsection~~  
44 ~~shall be levied upon or collected from any~~

- 1                   a.     ~~An employee or salesman~~ sales representative whose employer  
2                   had paid the tax levied in this subsection; ~~nor shall the tax apply to~~  
3                   ~~dealers~~ subsection.
- 4                   b.     A dealer in semitrailers weighing not more than five hundred  
5                   pounds and carrying not more than one-thousand-pound load,  
6                   and to be towed by passenger cars, ~~nor to dealers~~ cars.
- 7                   c.     A dealer in four-wheel, farm-type wagons equipped with rubber  
8                   tires and designed to be pulled or towed by passenger cars or  
9                   farm tractors.
- 10               (4)    Premises on which cars are stored or sold when owned or operated by  
11               a licensed car dealer under the same name shall not be deemed as a  
12               separate place of business when conducted within the corporate limits  
13               of any city or town in which such car business is conducted.
- 14               (5)    ~~Counties, cities, and towns~~ Counties and municipalities may levy a  
15               license tax on each place of business located therein, taxed under this  
16               subsection, not in excess of ~~one-fourth~~ one-fourth of that levied by the  
17               State. ~~Provided,~~ However, if ~~such~~ the business is of a seasonal,  
18               temporary, transient, or itinerant nature, counties, cities, and towns  
19               may levy a tax of three hundred dollars (\$300.00) for each location  
20               where such business is carried on.
- 21               (6)    ~~A person, firm, or corporation required to be licensed under this~~  
22               ~~subsection is not required to procure the license under G.S. 105-102.5~~  
23               ~~for the same location."~~

24               Sec. 14. G.S. 105-99 reads as rewritten:

25    "**§ 105-99. Wholesale distributors of motor fuels.**

26    Every ~~person, firm, or corporation~~ person engaged in the business of distributing or  
27    selling at wholesale any motor fuels in this State shall apply to the Secretary for an  
28    additional annual license to engage in such business, and shall pay for such privilege an  
29    additional annual license tax determined and measured by the number of pumps owned  
30    or leased by the distributor or wholesaler through which such motor fuels are sold, at  
31    retail, according to the following schedule:

32               For the first 50 pumps   \$ 2.00 per pump  
33               For 51 additional pumps and not more  
34               than 100 pumps   4.00 per pump  
35               For 101 additional pumps and not more  
36               than 200 pumps   5.00 per pump  
37               For 201 additional pumps and not more  
38               than 300 pumps   6.00 per pump  
39               For 301 additional pumps and not more  
40               than 400 pumps   7.00 per pump  
41               For 401 additional pumps and not more  
42               than 500 pumps   8.00 per pump  
43               For 501 additional pumps and not more  
44               than 600 pumps   9.00 per pump



1 For all over 600 pumps 10.00 per pump  
2 In computing the tax, the number of pumps owned or leased by a distributor or  
3 wholesaler is considered the number of dispensing nozzles from which motor fuel can  
4 be dispensed simultaneously.

5 Any contract or agreement, oral or written, express or implied by the terms or the  
6 effects of which the tax herein imposed shall be passed on directly or indirectly to any  
7 person, firm, or corporation not engaged in the business hereby taxed is hereby declared  
8 to be against the public policy of this State and null and void, and any person, firm, or  
9 corporation negotiating such an agreement, or receiving the benefits thereof, shall be  
10 guilty of a misdemeanor and fined or imprisoned in the discretion of the court.

11 The tax herein imposed shall be in addition to all other taxes imposed by this  
12 Chapter or under any other laws.

13 ~~Counties, cities and towns~~ Counties and municipalities shall not levy any tax by reason  
14 of the additional tax imposed by this section, but this section shall in no way affect the  
15 right given to ~~counties, cities, and towns~~ counties and municipalities to levy taxes under  
16 G.S. 105-89.

17 ~~The business taxed under this section shall not be taxed under G.S. 105-98."~~

18 Sec. 15. G.S. 105-102.3 reads as rewritten:

19 **"§ 105-102.3. Banks.**

20 There is hereby imposed upon every bank or banking association, including each  
21 national banking association, that is operating in this State as a commercial bank, an  
22 industrial bank, a savings bank created other than under Chapter 54B of the General  
23 Statutes or the Home Owners' Loan Act of 1933 (12 U.S.C. §§ 1461-68), a trust  
24 company, or any combination of such facilities or services, and whether such bank or  
25 banking association, hereinafter to be referred to as a bank or banks, ~~be is~~ is organized,  
26 under the laws of the United States or the laws of North Carolina, in the corporate form  
27 or in some other form of business organization, an annual privilege tax in the amount of  
28 thirty dollars (\$30.00) for each one million dollars (\$1,000,000) or fractional part  
29 thereof of total assets held as hereinafter provided. The assets upon which the tax is  
30 levied shall be determined by averaging the total assets shown in the four quarterly call  
31 reports of condition (consolidating domestic subsidiaries) for the preceding calendar  
32 year as required by bank regulatory authorities; provided, however, where a new bank  
33 commences operations within the State there shall be levied and paid an annual  
34 privilege tax of one hundred dollars (\$100.00) until ~~such bank shall have~~ the bank has  
35 made four quarterly call reports of condition (consolidating domestic subsidiaries) for a  
36 single calendar year; provided further, however, where a bank operates an international  
37 banking facility, as defined in G.S. 105-130.5(b)(13), the assets upon which the tax is  
38 levied shall be reduced by the average amount for the taxable year of all assets of the  
39 international banking facility which are employed outside the United States, as  
40 computed pursuant to G.S. 105-130.5(b)(13)c. The tax ~~imposed hereunder levied in this~~  
41 section shall be for the privilege of carrying on the businesses herein defined on a  
42 statewide basis regardless of the number of places or locations of business within the  
43 State. ~~Counties, cities and towns~~ Counties and municipalities shall not levy a license or

1 privilege tax on the businesses taxed under this section, nor on the business of an  
2 international banking facility as defined in subsection (b)(13) of G.S. 105-130.5."

3 Sec. 16. G.S. 105-102.6 reads as rewritten:

4 **"§ 105-102.6. Producers of newsprint publications.**

5 (a) Purpose. – The purpose of this section is to provide an incentive for the use of  
6 recycled newsprint.

7 (b) Definitions. – The following definitions apply in this section:

8 (1) Net tonnage of newsprint consumed. – The weight in metric tons of all  
9 newsprint acquired by a producer, less the weight in metric tons of any  
10 acquired newsprint the producer diverts from solid waste.

11 (2) Newsprint. – Uncoated paper, whether supercalendered or machine  
12 finished, made primarily from mechanical wood pulp combined with  
13 some chemical wood pulp, weighing between 24.5 and 35 pounds for  
14 500 sheets of paper two feet by three feet in size, and having a  
15 brightness of less than 60.

16 (3) Postconsumer waste paper. – Paper products, generated by a business  
17 or consumer, that have served their intended end uses and have been  
18 separated or diverted from solid waste.

19 (4) Producer. – A person engaged in the business of producing  
20 publications printed on newsprint who acquires and uses newsprint for  
21 this business.

22 (5) Recycled content percentage. – The percentage by weight of the total  
23 net tonnage of newsprint consumed by the producer that is  
24 postconsumer waste paper.

25 (c) Minimum Recycled Content Percentage. – The recycled content percentage  
26 of newsprint consumed by a producer shall equal or exceed the following minimum  
27 recycled content percentages:

28 ~~During 1991 and 1992, twelve percent (12%).~~

29 During 1993, fifteen percent (15%).

30 During 1994, twenty percent (20%).

31 During 1995, twenty-five percent (25%).

32 During 1996, thirty percent (30%).

33 During 1997, thirty-five percent (35%).

34 After 1997, forty percent (40%).

35 (d) Tax. – Every producer shall apply for and obtain from the Secretary of  
36 ~~Revenue~~ a newsprint producer tax reporting number. In addition, each producer whose  
37 recycled content percentage for a calendar quarter is less than the applicable minimum  
38 recycled content percentage provided in subsection (c) for a calendar quarter shall,  
39 within 10 days after the last day of the quarter, report to the Secretary the amount in  
40 metric tons by which (i) the applicable minimum recycled content percentage multiplied  
41 by the net tonnage of newsprint consumed by the producer in the preceding quarter  
42 exceeds (ii) the actual tonnage of postconsumer waste paper consumed by the producer  
43 during the preceding quarter, and shall pay a tax on the amount reported at the rate of  
44 fifteen dollars (\$15.00) per ton. This tax is due when the report is filed. No ~~county, city,~~

1 ~~or town~~ county or municipality may impose a license tax on the business taxed under  
2 this section.

3 (e) Exemption. – The tax levied in this section does not apply to an amount  
4 calculated pursuant to subsection (d) to the extent the amount is attributable solely to the  
5 producer's inability to obtain sufficient recycled content newsprint because (i) recycled  
6 content newsprint was not available at a price comparable to the price of virgin  
7 newsprint; (ii) recycled content newsprint of a quality comparable to virgin newsprint  
8 was not available; or (iii) recycled content newsprint was not available within a  
9 reasonable period of time during the reporting period. In order to claim the exemption  
10 provided in this subsection, a producer must certify to the ~~Secretary of Revenue~~:  
11 Secretary:

- 12 (1) The amount of virgin newsprint consumed by the producer during the  
13 reporting period solely for one of the reasons listed above.
- 14 (2) That the producer attempted to obtain recycled content newsprint from  
15 every manufacturer of recycled content newsprint that offered to sell  
16 recycled content newsprint to the producer within the preceding 12  
17 months.
- 18 (3) The name, address, and telephone number of each manufacturer  
19 contacted, including the company name and the name of the  
20 company's individual representative or employee.

21 (f) Use of Proceeds. – The Secretary of Revenue shall, on a quarterly basis, credit  
22 the net proceeds of the tax imposed by this section to the Solid Waste Management  
23 Trust Fund created in G.S. 130A-309.12."

24 Sec. 17. G.S. 105-109.1 reads as rewritten:

25 **"§ 105-109.1. Interest.**

26 The taxes on gross receipts levied in G.S. ~~105-37.1(a), 105-37.1(a) and 105-38(f), and~~  
27 ~~105-65.1(b)(2)~~, the tax on installment paper dealers levied in G.S. 105-83(b), and the tax  
28 on producers of newsprint publications levied in G.S. 105-102.6, shall bear interest at  
29 the rate established under G.S. 105-241.1(i) from the time the taxes were due until the  
30 taxes are paid."

31 Sec. 18. G.S. 105.3(16)f. reads as rewritten:

32 "f. The sales price of tangible personal property sold through a  
33 coin-operated vending machine, other than closed-container soft  
34 drinks subject to excise tax under Article 2B of this Chapter or  
35 tobacco products, is considered to be ~~fifty percent (50%)~~ eighty-  
36 five percent (85%) of the total amount for which the property is  
37 sold in the vending machine."

38 Sec. 19. G.S. 153A-152 reads as rewritten:

39 **"§ 153A-152. Privilege license taxes.**

40 A county may levy privilege license taxes on trades, occupations, professions,  
41 businesses, and franchises to the extent authorized by ~~Schedule B of the Revenue Act~~  
42 ~~(Chapter 105, Subchapter I, Article 2)~~ Article 2 of Chapter 105 of the General Statutes and  
43 any other acts of the General Assembly. A county may levy privilege license taxes to

1 the extent formerly authorized by the following sections of Article 2 of Chapter 105 of  
2 the General Statutes before they were repealed:

3	<u>G.S. 105-53</u>	<u>Peddlers, itinerant merchants, and specialty market operators.</u>
4	<u>G.S. 105-55</u>	<u>Installing elevators and automatic sprinkler systems.</u>
5	<u>G.S. 105-58</u>	<u>Fortune tellers, palmists, etc.</u>
6	<u>G.S. 105-65</u>	<u>Music machines.</u>
7	<u>G.S. 105-80</u>	<u>Firearms dealers and dealers in other weapons.</u>
8	<u>G.S. 105-89.1</u>	<u>Motorcycle dealers.</u>
9	<u>G.S. 105-90</u>	<u>Emigrant and employment agents.</u>
10	<u>G.S. 105-102.5</u>	<u>General business license."</u>

11 Sec. 20. G.S. 160A-211 reads as rewritten:

12 "**§ 160A-211. Privilege license taxes.**

13 Except as otherwise provided by law, a city shall have power to levy privilege  
14 license taxes on all trades, occupations, professions, businesses, and franchises carried  
15 on within the city. A city may levy privilege license taxes on the businesses that were  
16 formerly taxed by the State under the following sections of Article 2 of Chapter 105 of  
17 the General Statutes only to the extent the sections authorized cities to tax the  
18 businesses before the sections were repealed:

19	<u>G.S. 105-36</u>	<u>Amusements – Manufacturing, selling, leasing, or distributing</u>
20		<u>moving picture films.</u>
21	<u>G.S. 105-36.1</u>	<u>Amusements – Outdoor theatres.</u>
22	<u>G.S. 105-37</u>	<u>Amusements – Moving pictures – Admission.</u>
23	<u>G.S. 105-41</u>	<u>Attorneys-at-law and other professionals.</u>
24	<u>G.S. 105-42</u>	<u>Private detectives and investigators.</u>
25	<u>G.S. 105-45</u>	<u>Collecting agencies.</u>
26	<u>G.S. 105-46</u>	<u>Undertakers and retail dealers in coffins.</u>
27	<u>G.S. 105-51.1</u>	<u>Alarm systems.</u>
28	<u>G.S. 105-53</u>	<u>Peddlers, itinerant merchants, and specialty market operators.</u>
29	<u>G.S. 105-55</u>	<u>Installing elevators and automatic sprinkler systems.</u>
30	<u>G.S. 105-61</u>	<u>Hotels, motels, tourist courts, and tourist homes.</u>
31	<u>G.S. 105-62</u>	<u>Restaurants.</u>
32	<u>G.S. 105-65</u>	<u>Music machines.</u>
33	<u>G.S. 105-65.1</u>	<u>Merchandising dispensers and weighing machines.</u>
34	<u>G.S. 105-74</u>	<u>Pressing clubs, dry cleaning plants, and hat blockers.</u>
35	<u>G.S. 105-77</u>	<u>Tobacco warehouses.</u>
36	<u>G.S. 105-80</u>	<u>Firearms dealers and dealers in other weapons.</u>
37	<u>G.S. 105-85</u>	<u>Laundries.</u>
38	<u>G.S. 105-86</u>	<u>Outdoor advertising.</u>
39	<u>G.S. 105-89.1</u>	<u>Motorcycle dealers.</u>
40	<u>G.S. 105-90</u>	<u>Emigrant and employment agents.</u>
41	<u>G.S. 105-91</u>	<u>Plumbers, heating contractors, and electricians.</u>
42	<u>G.S. 105-97</u>	<u>Manufacturers of ice cream.</u>
43	<u>G.S. 105-98</u>	<u>Branch or chain stores.</u>
44	<u>G.S. 105-102.1</u>	<u>Certain cooperative associations.</u>

1 G.S. 105-102.5 General business license."

2 Sec. 21. Article 13 of Chapter 66 of the General Statutes is amended by  
3 adding a new section to read:

4 **"§ 66-67.3. Peddlers, itinerant merchants, and specialty markets.**

5 (a) Definitions. – The following definitions apply in this section:

6 (1) Itinerant merchant. – A merchant, other than a merchant with an  
7 established retail store in the county, who transports an inventory of  
8 goods to a building, vacant lot, or other location in a county and who,  
9 at that location, displays the goods for sale and sells the goods at retail  
10 or offers the goods for sale at retail.

11 (2) Peddler. – A person who travels from place to place with an inventory  
12 of goods, who sells the goods at retail or offers the goods for sale at  
13 retail, and who delivers the identical goods.

14 (3) Person. – Defined in G.S. 105-164.3(11).

15 (4) Specialty market. – A location, other than a permanent retail store,  
16 where space is rented to others for the purpose of selling goods at retail  
17 or offering goods for sale at retail.

18 (5) Specialty market operator. – A person, other than the State or a unit of  
19 local government, who rents space, at a location other than a  
20 permanent retail store, to others for the purpose of selling goods at  
21 retail or offering goods for sale at retail.

22 (6) Specialty market vendor. – A merchant, other than a merchant with an  
23 established retail store in the county, who transports an inventory of  
24 goods to a specialty market and, at that location, displays the goods for  
25 sale and sells the goods at retail or offers the goods for sale at retail.

26 (b) Display and Possession of Licenses and Identification. – An itinerant  
27 merchant shall keep the merchant's retail sales tax license conspicuously and  
28 prominently displayed, so as to be visible for inspection by patrons of the itinerant  
29 merchant at the places or locations at which the goods are to be sold or offered for sale.

30 A peddler shall have the peddler's retail sales tax license with him or her at all times the  
31 peddler offers goods for sale, and must produce the license upon the request of any  
32 customer, State or local revenue agent, or law enforcement agent. A specialty market  
33 vendor shall keep the retail sales tax license conspicuously and prominently displayed,  
34 so as to be visible for inspection by patrons of the specialty market vendor at the places  
35 or locations at which the goods are to be sold or offered for sale. A specialty market  
36 operator shall have its retail sales tax license, if any, available for inspection during all  
37 times that the specialty market is open and must produce it upon the request of any  
38 customer, State or local revenue agent, or law enforcement agent.

39 Upon the request of any customer, State or local revenue agent, or law enforcement  
40 agent, a peddler, itinerant merchant, specialty market operator, or specialty market  
41 vendor shall provide its name and permanent address. If the peddler, itinerant merchant,  
42 specialty market operator, or specialty market vendor is not a corporation, he or she  
43 shall, upon the request of any customer, State or local revenue agent, or law  
44 enforcement agent, provide a valid drivers license, a special identification card issued

1 under G.S. 20-37.7, military identification, or a passport bearing a physical description  
2 of the person named reasonably describing the peddler, itinerant merchant, specialty  
3 market operator, or specialty market vendor. If the peddler, itinerant merchant,  
4 specialty market operator, or specialty market vendor is a corporation, it shall, upon the  
5 request of any customer, State or local revenue agent, or law enforcement agent, give  
6 the name and registered agent of the corporation and the address of the registered office  
7 of the corporation, as filed with the Secretary of State.

8 (c) Permission of Property Owner. – An itinerant merchant or a peddler who  
9 travels from place to place by vehicle, in addition to other requirements of this section,  
10 shall obtain a written statement signed by the owner or lessee of any property upon  
11 which the itinerant merchant or peddler offers goods for sale giving the owner's or  
12 lessee's permission to offer goods for sale upon the property of the owner or lessee.  
13 This statement shall clearly state the name of the owner or lessee, the location of the  
14 premises for which the permission is granted, and the dates during which the permission  
15 is valid. Further, the statement shall be conspicuously and prominently displayed, so as  
16 to be visible for inspection by patrons of the itinerant merchant or peddler, at the places  
17 or locations at which the goods are to be sold or offered for sale.

18 (d) Specialty Market Registration List. – A specialty market operator shall  
19 maintain a daily registration list of all specialty market vendors selling or offering goods  
20 for sale at the specialty market. This registration list shall clearly and legibly show each  
21 specialty market vendor's name, permanent address, and retail sales and use tax  
22 registration number. The specialty market operator shall require each specialty market  
23 vendor to exhibit a valid retail sales tax license for visual inspection by the specialty  
24 market operator at the time of registration, and shall require each specialty market  
25 vendor to keep the retail sales tax license conspicuously and prominently displayed, so  
26 as to be visible for inspection by patrons of the specialty market vendor at the places or  
27 locations at which the goods are offered for sale. Each daily registration list maintained  
28 pursuant to this subsection shall be retained by the specialty market operator for no less  
29 than two years and shall at any time be made available upon request to any law  
30 enforcement officer.

31 (e) Penalty. – It shall be a misdemeanor, punishable by imprisonment of up to 30  
32 days, a fine of up to two hundred dollars (\$200.00), or both, for a person to do any of  
33 the following:

- 34 (1) Knowingly give false information when registering pursuant to  
35 subsection (d) of this section.
- 36 (2) If the person is an itinerant merchant, fail to display the license as  
37 required by subsection (b) of this section.
- 38 (3) If the person is a peddler or specialty market operator, fail to produce  
39 the license as required by subsection (b) of this section.
- 40 (4) If the person is required to do so, fail to comply with subsection (c) of  
41 this section.

42 Whenever satisfactory evidence is presented in any court of the fact  
43 that a license was not displayed or produced as required by subsection  
44 (b) of this section, or that permission was required by subsection (c) of

1                   this section and was not displayed, the defendant shall be found not  
2                   guilty of that violation if the defendant produces in court a valid  
3                   license or valid permission that had been issued prior to the time the  
4                   defendant was charged with the violation.

5           (5)   Fail to provide name, address, or identification upon request as  
6                   required by subsection (b) of this section or provide false information  
7                   in response to such a request.

8           (f)   Additional Penalties. – It shall be a misdemeanor, punishable by  
9                   imprisonment of up to 30 days, a fine of up to one thousand dollars (\$1,000), or both,  
10                  for a specialty market operator to fail to comply with subsection (d) of this section or for  
11                  a specialty market vendor to fail to display the retail sales tax license as required by  
12                  subsection (b) of this section. For the purposes of this section, the requirement that a  
13                  retail sales tax license be displayed is satisfied if the vendor displays either (i) a copy of  
14                  the license or (ii) evidence that the license has been applied for and the applicable  
15                  license fee has been paid within 30 days before the date the license was required to be  
16                  displayed. Whenever satisfactory evidence is presented in any court of the fact that  
17                  display of a retail sales tax license was required by this section and the license was not  
18                  displayed, the specialty market operator or vendor shall not be found guilty of that  
19                  violation if the operator or vendor produces in court a valid license that had been issued  
20                  prior to the time the operator or vendor was charged with the violation.

21           (g)   Local Regulation. – This section does not affect the authority of a county or  
22                   city to impose additional requirements on peddlers, itinerant merchants, specialty  
23                   market vendors, or specialty market operators by an ordinance adopted under G.S.  
24                   153A-125 or G.S. 160A-178."

25                   Sec. 22. The base budget of the Department of Revenue is reduced by  
26           \$\_\_\_\_\_ for the 1993-94 fiscal year and \$\_\_\_\_\_ for the 1994-95 fiscal year.

27                   Sec. 23. This act becomes effective July 1, 1993.