

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 871
Finance Committee Substitute Adopted 6/24/93

Short Title: Improvement Contractor City License.

(Public)

Sponsors:

Referred to:

April 15, 1993

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CITIES AND TOWNS TO LEVY A PRIVILEGE
LICENSE TAX ON CONTRACTORS ENGAGED IN THE BUSINESS OF
MAKING IMPROVEMENTS TO BUILDINGS AND STRUCTURES AND TO
INCREASE THE COLLECTIBILITY OF MUNICIPAL PRIVILEGE LICENSE
TAXES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-109(e) reads as rewritten:

"(e) The provisions of this section for the collection of delinquent license taxes shall apply to license taxes levied by the cities and towns of this State under authority of this Article, or any other provision of law, in the same manner and to the same extent as they apply to taxes levied by the State and counties of this State: ~~Provided, the State. The~~ municipal finance officer charged with the duty of collecting municipal taxes may exercise the powers vested in the sheriff by this section and the powers vested in the Secretary of Revenue by subsection (d) of this section. A municipality may impose a civil penalty equal to twenty-five percent (25%) of the amount of the license tax upon a person who fails to obtain a privilege license required under this Article or any other provision of law or who fails to renew a privilege license as required under this Article or any other provision of law."

Sec. 2. Article 2 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-75.2. Municipal license tax on improvement contractors.

1 (a) License. – A municipality may, by ordinance, levy a privilege license tax on
2 every person engaged in the business of making improvements to buildings or structures
3 within the municipality so long as the State does not impose a privilege license tax on
4 that business. This section does not apply to a trade or profession licensed by an
5 occupational licensing board of this State.

6 (b) Application. – A municipality shall prescribe the application for a license,
7 which may contain the following:

8 (1) The applicant's name and residence address.

9 (2) Whether the applicant is an individual, a firm, or a corporation.

10 (3) The number of years the applicant has been engaged in the business in
11 this State.

12 (4) The applicant's social security number, if an individual, and the
13 applicant's federal and State tax identification numbers.

14 (5) The number of employees the applicant employs.

15 (6) The identity of the applicant's workers' compensation and liability
16 carrier.

17 (7) The gross receipts from the applicant's business for the previous year.

18 A municipality may determine whether the provision by the applicant of any of the
19 information contained in the application is a prerequisite to licensure.

20 (c) Penalties. – Any person that engages in a business licensed under this section
21 without first obtaining the required license shall, in addition to the penalties provided in
22 G.S. 105-109, pay the taxing municipality a civil penalty of five dollars (\$5.00) for each
23 day work is done without a license under this section up to a maximum of five hundred
24 dollars (\$500.00)."

25 Sec. 3. This act becomes effective October 1, 1993.