GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2001

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HOUSE BILL 1672

Short Title: Scotland Local Sales Tax for Schools. (Local) Sponsors: Representatives Yongue, Bonner, and Goodwin. Referred to: Rules, Calendar, and Operations of the House. June 13, 2002 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE SCOTLAND COUNTY TO LEVY AN ADDITIONAL ONE-CENT LOCAL SALES AND USE TAX TO BE USED FOR EDUCATIONAL EXPENSES ONLY. The General Assembly of North Carolina enacts: **SECTION 1.** This act applies to Scotland County only. Notwithstanding any other provision of law, a tax under Article 45 of Chapter 105 of the General Statutes, as enacted by this act, may not be effective at any time in which a supplemental school tax authorized under Chapter 707 of the 1963 Session Laws is in effect. **SECTION 2.** Chapter 105 of the General Statutes is amended by adding a new Article to read: "Article 45. "Second One-Cent (1¢) Local Government Sales and Use Tax. "<u>§ 105-525.</u> Short title. This Article is the Second One-Cent (1ϕ) Local Government Sales and Use Tax Act. "§ 105-526. Limitations. This Article applies only to counties that levy the first one-cent (1ϕ) local sales and use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the first one-half cent $(1/2\phi)$ local sales and use tax under Article 40 of this Chapter, the second one-half cent $(1/2\phi)$ local sales and use tax under Article 42 of this Chapter, and the third one-half cent $(1/2\phi)$ local sales and use tax under Article 44 of this Chapter. "§ 105-527. Levy. Levy. – The board of commissioners of a county may, by resolution, levy one (a) 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
- 29 the resolution and must hold a public hearing on the issue of adopting the resolution.

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1	(b) Effective Date. – A tax levied under this Article may not become effective
2	before January 1, 2003.
3	"§ 105-528. Administration of taxes.
4	Except as provided in this Article, the adoption, levy, collection, administration, and
5	repeal of these additional taxes must be in accordance with Article 39 of this Chapter. A
6	tax levied under this Article does not apply to the sales price of food that is exempt from
7	tax pursuant to G.S. 105-164.13B.
8	"§ 105-529. Distribution and use of taxes.
9	(a) Distribution. – The Secretary must, on a quarterly basis, allocate to each
10	taxing county the net proceeds of the tax collected in that county under this Article. If
11	the Secretary collects taxes under this Article in a month and the taxes cannot be
12	identified as being attributable to a particular taxing county, the Secretary must allocate
13	the net proceeds of these taxes among the taxing counties in proportion to the amount of
14	taxes collected in each county under this Article in that month and shall include them in
15	the quarterly distribution.
16	(b) Use. – The proceeds of a tax levied under this Article may be used only for
17	the public school local current expense fund as defined in G.S 115C-426(e) and for
18	public school capital outlay purposes as defined in G.S. 115C-426(f)."
19	SECTION 3. G.S. 105-529(a), as enacted by this act, reads as rewritten:
20	"(a) Distribution. – The Secretary must, on a quarterly monthly basis, allocate to
21	each taxing county the net proceeds of the tax collected in that county under this Article.
22	If the Secretary collects taxes under this Article in a month and the taxes cannot be
23	identified as being attributable to a particular taxing county, the Secretary must allocate
24	the net proceeds of these taxes among the taxing counties in proportion to the amount of
25	taxes collected in each county under this Article in that month and shall include them in
26	the quarterly monthly distribution."
27	SECTION 4. A tax levied under Article 45 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 45 of Chapter 105 of the General Statutes.
33	SECTION 5. Section 3 of this act becomes effective July 1, 2003. The
34	remainder of this act is effective when it becomes law.