GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2007

S SENATE BILL 808

Short Title:	LEA Sa	lles Tax Refund and Exemption.	(Public)
Sponsors:	Senators Pittenger; Allran, Apodaca, Berger of Rockingham, Bingham, Blake, Brock, Brown, Forrester, Goodall, Hunt, Jacumin, Preston, Stevens, and Tillman.		
Referred to: Finance.			
March 15, 2007			
A BILL TO BE ENTITLED AN ACT ALLOWING A SALES AND USE TAX EXEMPTION FOR LOCAL SCHOOL ADMINISTRATIVE UNITS AND REENACTING THE SALES AND USE TAX REFUND FOR LOCAL SCHOOL ADMINISTRATIVE UNITS. The General Assembly of North Carolina enacts: SECTION 1. G.S. 105-164.13 is amended by adding a new subdivision to read: "\$ 105-164.13. Retail sales and use tax. The sale at retail and the use, storage, or consumption in this State of the following tangible personal property and services are specifically exempted from the tax imposed by this Article:			
<u>(5</u>	<u>electicono</u> <u>a.</u> <u>b.</u>	tricity and telecommunications service, if all ditions are met: The items are purchased by a local school for its own use and in accordance with G.S. 1 The items are purchased pursuant to a va issued by the local school administrative un exemption number of the unit and a descript purchased, or the items purchased are paid electronic deposit, credit card, procureme account of the local school administrative units and the procureme account of the local school administrative units and the procureme account of the local school administrative units and the procureme account of the local school administrative units and the procureme account of the local school administrative units and the procureme account of the local school administrative units and the procureme account of the local school administrative units and the procureme account of the local school administrative units and the procureme account of the local school administrative units account of the local school administrative units accounts and the procureme accounts are procured accounts are procured accounts and the procureme accounts are procured accounts and the procureme accounts are procured accounts and accounts are procured accounts and the procureme accounts are procured accounts and the procureme accounts are procured accounts and the procurements are procured accounts and the procurements are procured accounts and the procured accounts are procured accounts and the procured accounts are procured accounts and the pr	administrative unit 05-164.29B. lid purchase order it that contains the ion of the property for with a check, nt card, or credit it.
	<u>C.</u>	For all purchases other than by a purchase of local school administrative unit, the unit makes the school administrative unit.	•

have on file with the retailer the unit's exemption number."

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SECTION 2. Part 5 of Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-164.29B. Local school administrative unit exemption process.

- (a) Application. To be eligible for the exemption provided in G.S. 105-164.13(54), a local school administrative unit must obtain from the Department a sales tax exemption number. The application for exemption must be in the form required by the Secretary, be signed by the unit's finance officer, and contain any information required by the Secretary. The Secretary must assign a sales tax exemption number to a local school administrative unit that submits a proper application.
- (b) <u>Liability. A local school administrative unit that does not use the items purchased with its exemption number must pay the tax that should have been paid on the items purchased, plus interest calculated from the date the tax would otherwise have been paid."</u>

SECTION 3. G.S. 105-164.14(c)(2b) and (2c) are reenacted.

SECTION 4. G.S. 105-164.44H is repealed.

SECTION 5. Section 7.51(c) of S.L. 2005-276 reads as rewritten:

"SECTION 7.51.(c) Subsection (b) of this section becomes effective July 1, 2006. Notwithstanding the provisions of G.S. 105 164.44H, for the 2006 2007 fiscal year, the amount transferred to the State Public School Fund each quarter shall equal one fourth of the amount refunded under G.S. 105 164.4(c)(2b) and (2c) during the 2005 2006 fiscal year plus or minus the percentage of that amount by which the total collection of State sales and use tax increased or decreased during the preceding fiscal year. The remainder of this This section becomes effective July 1, 2005, and applies to sales made on or after that date."

SECTION 6. Sections 1, 3, and 4 of this act become effective July 1, 2007, and apply to purchases made on or after that date. The remainder of this act is effective when it becomes law.