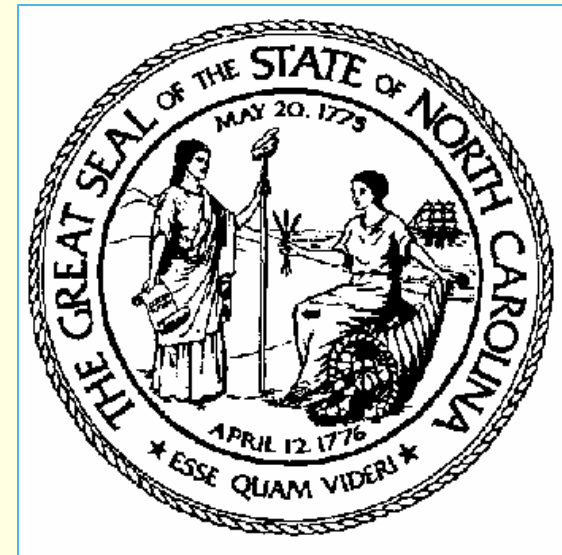


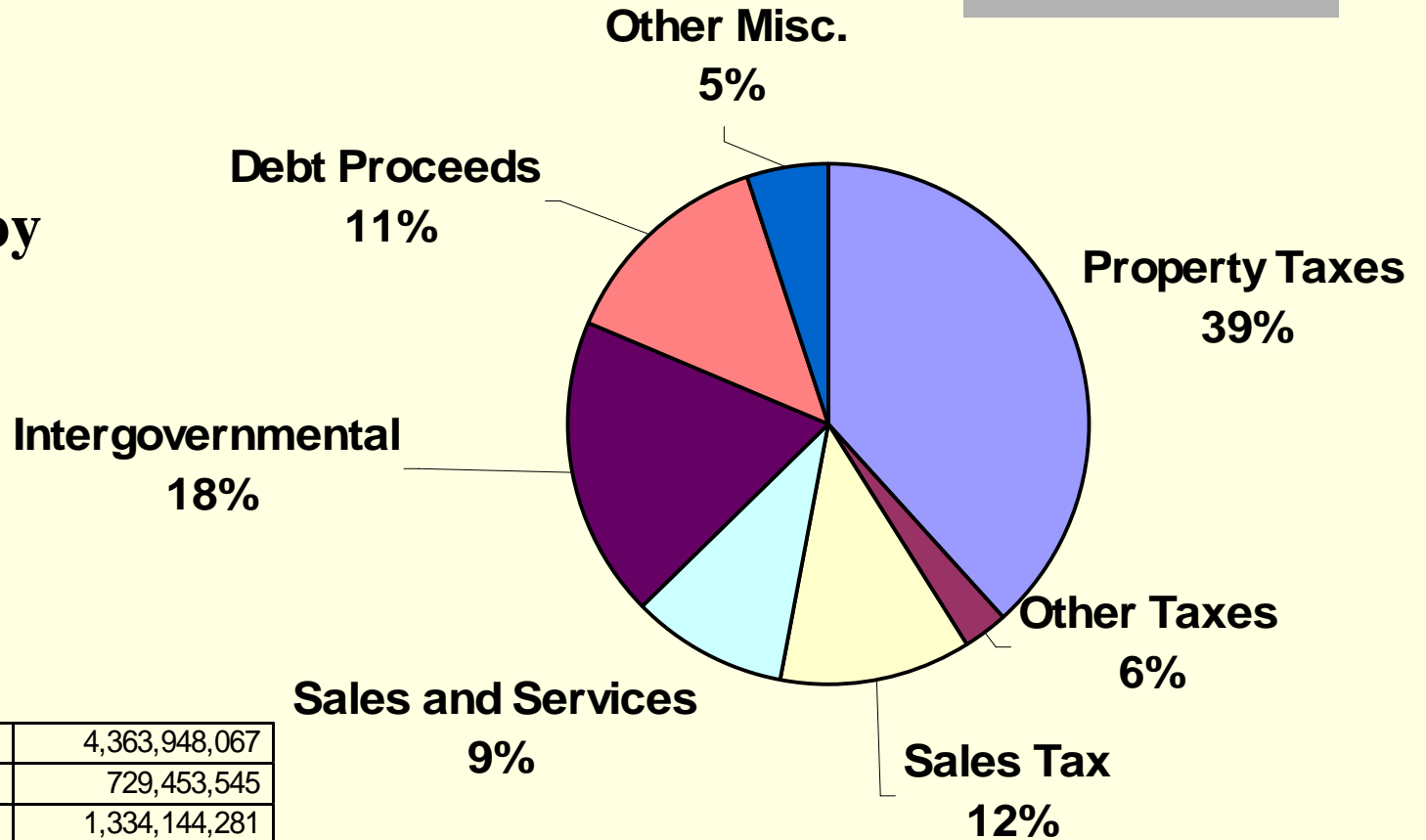
# Sources of Local Revenue

- Sources of Local Revenue
  - County
  - Municipal
- Local Taxes and Fees
  - Property Tax
  - Sales Tax
  - Other Local Taxes and Fees
- State Aid to Local Units



# Sources of Local Revenue: County

## 2004-05 County Revenue by Source



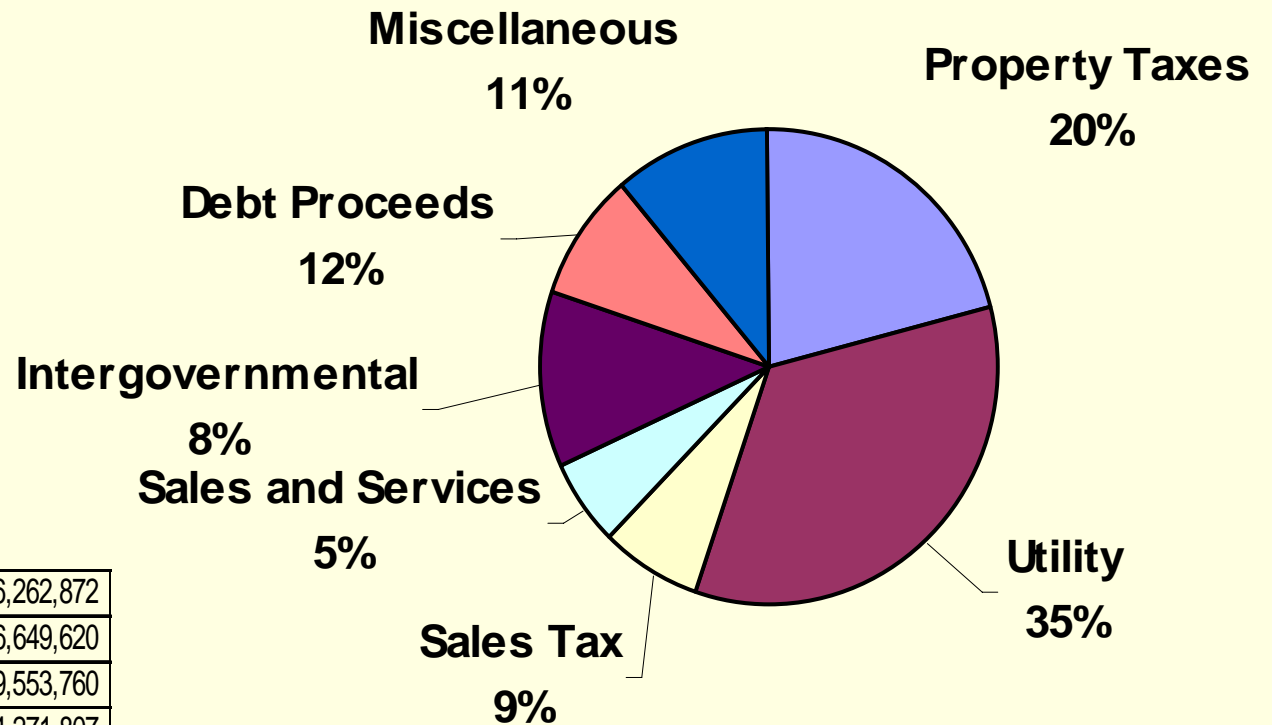
Property Taxes	4,363,948,067
Other Taxes	729,453,545
Sales Tax	1,334,144,281
Sales and Services	1,068,475,449
Intergovernmental	2,001,815,494
Debt Proceeds	1,293,774,882
Other Misc.	531,866,229
<b>TOTAL</b>	<b>11,323,477,947</b>

Information provided by the NC Dept. of State Treasurer.

# Sources of Local Revenue: Municipal

## 2004-05 Municipal Revenue by Source

Property Taxes	1,656,262,872
Utility	2,816,649,620
Sales Tax	719,553,760
Sales and Services	374,271,807
Intergovernmental	683,134,708
Debt Proceeds	943,277,524
Other Misc.	900,048,974
<b>TOTAL</b>	<b>8,093,199,265</b>



Information provided by the NC Dept. of State Treasurer.

# Local Taxes: Property Tax

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- The General Assembly grants each county and municipality the power to levy taxes on property within their jurisdictions.
- Classes of property must be taxed uniformly.
- Only the General Assembly has authority to exempt classes of property.
- Property must be assessed at market value
- Real property must be revalued at least every 8 years.
- Each county or municipality determines the property tax rate annually

# Local Taxes: Sales Tax

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- Local governments allowed up to 2.5 cents
  - Article 39 (1971) – one cent, point of sale
  - Article 40 (1983) – ½ cent, population
  - Article 42 (1985) – ½ cent, population
  - Article 44 (2002) – ½ cent (¼ population, ¼ point of sale)
- Distribution based on either ad valorem or population
- Food Tax – 2%



# Other Local Taxes and Fees

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- **Occupancy Taxes**
- **Meals Taxes**
- **Land Transfer Tax** - Tax (up to 1%) on Conveyances (some authorized counties).
- **Impact Fees** (some authorized local governments)
- **Regulatory Fees** - Building and Environmental.
- **Miscellaneous**

# State Aid to Local Units

## State Taxes Shared with Counties



### **Beer and Wine Tax**

- Shared only for the types of beverages allowed in the county.
- Distribution is based on the type of beverage.

### **Real Estate Transfer Tax**

- \$1.00 tax for each \$500.00 in value transferred.
- Also known as the Deed Tax. County Retains 50%+.

### **Hold Harmless Payments**

- In lieu of reimbursements— paid to local governments whose share of the Article 44 sales tax is less than what they received in reimbursements.

### **Telecommunications and video programming service**

# State Aid to Local Units

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## State Taxes Shared with Municipalities

- Gasoline Tax – 1  $\frac{3}{4}$  cents per gallon distributed through Powell Bill Funds. Restricted Use.
- Electricity Franchise Tax (96% of taxes collected within municipal boundaries)
- Excise Tax on Piped Natural Gas – municipalities receive half of tax collected within boundaries.
- Beer and Wine Tax – municipalities receive share of taxes if sales are allowed within jurisdiction.
- Hold Harmless Payments
- Telecommunications and video programming service