A BILL TO BE ENTITLED
AN ACT TO PHASE-IN THE CONVERSION OF THE LOCAL SALES AND USE TAXES AUTHORIZED UNDER ARTICLES 39, 40, AND 42 TO A STATE SALES AND USE TAX THAT IS ALLOCATED TO THE COUNTIES AND CITIES ON A PER CAPITA BASIS AS A LOCAL REVENUE SOURCE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Articles 40 and 42 of Chapter 105 of the General Statutes are repealed.

SECTION 1.(b) G.S. 105-164.13B is repealed.

SECTION 1.(c) G.S. 105-164.4(a) reads as rewritten:

"(a) A privilege tax is imposed on a retailer engaged in business in the State at the percentage rates of the retailer's net taxable sales or gross receipts, listed in this subsection. The general rate of tax is four and three-quarters percent (4.75%), five and three-quarters percent (5.75%). The percentage rates are as follows:

(15) The rate of two percent (2%) applies to food other than the following:

a. Dietary supplements.
b. Food sold through a vending machine.
c. Prepared food, other than bakery items sold without eating utensils by an artisan bakery. The term "bakery item" includes bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, and tortillas. An artisan bakery is a bakery that meets all of the following requirements:
   i. It derives over eighty percent (80%) of its gross receipts from bakery items.
   ii. Its annual gross receipts, combined with the gross receipts of all related persons as defined in G.S. 105-163.010, do not exceed one million eight hundred thousand dollars ($1,800,000).
d. Candy."

SECTION 1.(d) Part 8 of Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-164.44M. Distribution of part of sales tax revenue to counties and cities.
(a) Purpose and Intent. – It is the purpose of this section to provide a source of revenue to counties and cities to meet their financial needs. There is annually appropriated from the
General Fund to the counties and cities the amounts needed to make the distribution under this section. The General Assembly finds that the revenue distributed under this section is local revenue, not a State expenditure, for the purposes of Section 5(3) of Article II of the North Carolina Constitution. The Governor may not reduce or withhold the distribution.

(b) Distribution. – The Secretary must distribute, on a monthly basis, part of the taxes imposed by G.S. 105-164.4 to the counties and cities. The amount the Secretary must distribute is the sum of the revenue listed in this subsection, less the amount to be deducted in accordance with subsection (c) of this section:

(1) An amount equal to seventeen and thirty-nine hundredths percent (17.39%) of the net proceeds of the sales and use tax imposed at the general rate of tax.

(2) An amount equal to the net proceeds of the sales and use taxes imposed on food by G.S. 105-164.4(a)(15).

(c) Deduction for Local Government Services. – From the revenue to be distributed under subsection (b) of this section, the Secretary must deduct the following costs incurred by the State to provide the functions listed in this subsection that support local governments:

(1) The Department's cost of the following for the preceding month:
   a. The Local Government Division.
   b. The Property Tax Commission.

(2) The Department of State Treasurer's costs for personnel and operations of the Local Government Commission.

(3) One-twelfth of the following for the preceding fiscal year:
   a. The costs incurred by the School of Government at the University of North Carolina at Chapel Hill in operating a training program in property tax appraisal and assessment.
   b. Seventy percent (70%) of the expenses of the Department of Revenue in performing the duties imposed by Article 2D of this Chapter.

(d) County Allocation. – The Secretary must allocate the revenue to be distributed under subdivision (b)(1) of this section to the counties on a per capita basis according to the most recent annual population estimates certified to the Secretary by the State Budget Office.

(d1) Phase-Out of Adjustment Factor. – The Secretary must adjust the amount allocated to each county under subsection (d) of this section by multiplying the amount by the appropriate adjustment factor set out in the table below. If, after applying the adjustment factors, the resulting total of the amounts allocated is greater or lesser than the net proceeds to be distributed, the amount allocated to each county is proportionately adjusted to eliminate the excess or shortage.

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(d2) Allocation of Sales Tax on Food. – The Secretary must allocate the revenue to be distributed under subdivision (b)(2) of this section to the counties as provided in this subsection.

(1) The Secretary must allocate one-half of the proceeds on a per capita basis according to the most recent annual population estimates certified to the Secretary by the State Budget Officer.

(2) The Secretary must allocate the remaining proceeds proportionately to each taxing county based upon the amount of sales tax on food collected in the taxing county in the 1997-1998 fiscal year under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws relative to the total amount of sales tax on food collected in all taxing counties in the 1997-1998 fiscal year under Article 39 of this Chapter and under Chapter 1096 of the 1967 Session Laws.

(e) Distribution Between Counties and Cities. – The sum of the amount allocated to each county under subsection (d) of this section, as adjusted under subsection (d1) of this section, and the amount allocated to each county under subdivision (d)(2) of this section must then be divided among the county and its cities on a per capita basis according to the total population of the county plus the total population of the cities in the county. In the case of a city located in more than one county, only that part of its population living in the county is considered its "total population." In order to make the distribution, the Secretary must determine a per capita figure by dividing the amount allocated to each county by the total population of the county and the population of each city in the county; each respective product is the amount to be distributed to the county and to each city in the county. To determine the population of each county and each city, the Secretary must use the most recent annual estimate of population certified by the State Budget Office.

(f) Public School Capital Outlay. – A county must use twenty-two and one-half percent (22.5%) of the revenue received by it under this section for public school capital outlay purposes as defined in G.S. 115C-426(f) or to retire any indebtedness incurred by the county for these purposes. A county may expend part or all of the revenue restricted for public school capital needs in the fiscal year in which the revenue is received, or the county may place part or
all of this revenue in a capital reserve fund, provided the county specifically identifies this revenue in accordance with Chapter 159 of the General Statutes.

A county may use part of all of the revenue restricted by this subsection for any lawful purpose if the county petitions and receives authorization from the Local Government Commission. The petition must be in the form of a resolution adopted by the board of county commissioners and transmitted to the Local Government Commission. The petition must demonstrate that the county can provide for its public school capital needs without restricting the use of part or all of the revenue designated by this subsection for that purpose. In making its decision, the Local Government Commission must consider information contained in the petition concerning all the capital needs of the petitioning county. The Commission may also consider information from sources other than the petition. The Commission must issue a written decision on each petition stating the findings of the Commission concerning the public school capital needs of the petitioning county and the percentage of revenue otherwise restricted by this subsection that may be used by the petitioning county for any lawful purpose. Decisions of the Commission allowing counties to use revenue that would otherwise be restricted under this subsection for any lawful purpose are final. A county whose petition is denied, in whole or in part, by the Commission may subsequently submit a new petition to the Commission.

(g) Ineligible Cities. – An ineligible city is disregarded for all purposes under this section. A city incorporated on or after January 1, 2000, is not eligible for a distribution under this section unless it meets both of the following requirements:

(1) It is eligible to receive funds under G.S. 136-41.2.
(2) A majority of the mileage of its streets is open to the public.

"§ 105-536. Limitations."

This Article applies only to counties that levy the first one-cent (1¢) 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¢) local sales and use tax under Article 40 of this Chapter, and the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter Laws."

SECTION 1.(e) G.S. 105-536 reads as rewritten:

"(a) Authority. – The board of county commissioners may levy a local sales and use tax at the rate of one-quarter percent (0.25%) upon the occurrence of any of the following:

(1) By resolution, if a majority of those voting in a special election held pursuant to subsection (b) of this section approve the levy of the local sales and use tax and the county has given not less than 10 days' public notice.
(2) By resolution, if no election has been held within five years under the provisions of subsection (b) of this section in which the tax has been defeated and the county has given not less than 10 days' public notice of and held a public hearing.

If the majority of those voting in a referendum held pursuant to this Article vote for the levy of the tax, the board of county commissioners may, by resolution and after 10 days' public notice, levy a local sales and use tax at a rate of one-quarter percent (0.25%)."

SECTION 1.(g) G.S. 105-537(a), as amended by subsection (f) of this section, reads as rewritten:

"(a) Authority. – The board of county commissioners may levy a local sales and use tax at the rate of one-quarter percent (0.25%) upon the occurrence of any of the following:

(1) By resolution, if a majority of those voting in a special election held pursuant to subsection (b) of this section approve the levy of the local sales and use tax and the county has given not less than 10 days' public notice, levy a local sales and use tax at a rate of one-quarter percent (0.25%)."
By resolution, if no election has been held within five years under the provisions subsection (b) of this section in which the tax has been defeated and the county has given not less than 10 days' public notice of and held a public hearing.

SECTION 1.(h) Subsections (a) through (e) of this section become effective January 1, 2016, and apply to sales occurring on or after that date. Subsection (g) becomes effective January 1, 2020. The remainder of this section is effective when it becomes law.

SECTION 2.(a) Article 39 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-464A. Reduction in Tax Rate.

The tax rate authorized under this Article is one-half percent (1/2%) for sales occurring on or after January 1, 2017. A resolution enacted by a county under this Article before January 1, 2017, to levy one percent (1%) local sales and use tax is considered to be a resolution authoring the levy of one-half percent (1/2%) local sales and use tax under this Article. If the board of elections of a county holds a special election for the purpose of submitting to the voters of the county the question of whether the levy of the local sales and use tax authorized under this Article should be repealed, the board of elections must modify the form of the ballot question in accordance with the changes made by this section."

SECTION 2.(b) Chapter 1096 of the 1967 Session Laws, as amended, is amended by adding a new section to read:

"Sec. 13. Reduction in Tax Rate. The tax rate authorized under this act is one-half percent (1/2%) for sales occurring on or after January 1, 2017. A resolution enacted by Mecklenburg County under this act before January 1, 2017, to levy one percent (1%) local sales and use tax is considered to be a resolution authorizing the levy of one-half percent (1/2%) local sales and use tax under this act. If the Mecklenburg County Board of Elections holds a special election for the purpose of submitting to the voters of the county the question of whether the levy of the local sales and use tax authorized under this act should be repealed, the Board of Elections must modify the form of the ballot question in accordance with the changes made by this section."

SECTION 2.(c) G.S. 105-164.4(a), as amended by Section 1 of this act, reads as rewritten:

"(a) A privilege tax is imposed on a retailer engaged in business in the State at the percentage rates of the retailer's net taxable sales or gross receipts, listed in this subsection. The general rate of tax is five and three-quarters percent (5.75%), six and one-quarter percent (6.25%). The percentage rates are as follows:

...."

SECTION 2.(d) G.S. 105-164.44M, as enacted by Section 1 of this act, reads as rewritten:

"§ 105-164.44M. Distribution of part of sales tax revenue to counties and cities.

... (b) Distribution. – The Secretary must distribute, on a monthly basis, part of the taxes imposed by G.S. 105-164.4 to the counties and cities. The amount the Secretary must distribute is the sum of the revenue listed in this subsection, less the amount to be deducted in accordance with subsection (c) of this section:

(1) An amount equal to seventeen and thirty-nine hundredths percent (17.39%) twenty-four percent (24%) of the net proceeds of the sales and use tax imposed at the general rate of tax.

(2) An amount equal to the net proceeds of the sales and use taxes imposed on food by G.S. 105-164.4(a)(15)."
(d1) Phase-Out of Adjustment Factor. – The Secretary must adjust the amount allocated to each county under subsection (d) of this section by multiplying the amount by the appropriate adjustment factor set out in the table below. If, after applying the adjustment factors, the resulting total of the amounts allocated is greater or lesser than the net proceeds to be distributed, the amount allocated to each county is proportionately adjusted to eliminate the excess or shortage.

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(d2) Allocation of Sales Tax on Food. – The Secretary must allocate the revenue to be distributed under subdivision (b)(2) of this section to the counties as provided in this subsection.

(1) The Secretary must allocate one half–seventy-five percent (75%) of the proceeds on a per capita basis according to the most recent annual population estimates certified to the Secretary by the State Budget Officer.

(2) The Secretary must allocate the remaining proceeds proportionately to each taxing county based upon the amount of sales tax on food collected in the taxing county in the 1997-1998 fiscal year under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws relative to the total amount
of sales tax on food collected in all taxing counties in the 1997-1998 fiscal
year under Article 39 of this Chapter and under Chapter 1096 of the 1967
Session Laws.

"..."

SECTION 2.(e) G.S. 105-536, as amended by Section 1 of this act, reads as
rewritten:

"§ 105-536. Limitations.
This Article applies only to counties that levy the first one-cent (1¢) one-half percent
(1/2%) sales and use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967
Session Laws."

SECTION 2.(f) This section becomes effective January 1, 2017, and applies to
sales occurring on or after that date.

SECTION 3.(a) Article 39 of Chapter 105 of the General Statutes, as amended by
this act, and Chapter 1096 of the 1967 Session Laws, as amended by this act, are repealed.

SECTION 3.(b) G.S. 105-164.4(a), as amended by Section 2 of this act, reads as
rewritten:

"(a) A privilege tax is imposed on a retailer engaged in business in the State at the
percentage rates of the retailer's net taxable sales or gross receipts, listed in this subsection. The
general rate of tax is six and one quarter percent (6.25%). six and three-quarters percent
(6.75%). The percentage rates are as follows:

...

SECTION 3.(c) G.S. 105-164.44M, as enacted by Section 1 of this act and as
amended by Section 2 of this act, reads as rewritten:

"(b) Distribution. – The Secretary must distribute, on a monthly basis, part of the taxes
imposed by G.S. 105-164.4 to the counties and cities. The amount the Secretary must distribute
is the sum of the revenue listed in this subsection, less the amount to be deducted in accordance
with subsection (c) of this section:

(1) An amount equal to twenty-four percent (24%) twenty-nine and sixty-three
percent (29.63%) of the net proceeds of the sales and use tax imposed at the
general rate of tax.

(2) An amount equal to the net proceeds of the sales and use taxes imposed on
food by G.S. 105-164.4(a)(15).

...

(d) County Allocation. – The Secretary must allocate the revenue to be distributed
under subdivision (b)(1) subsection (b) of this section to the counties on a per capita basis
according to the most recent annual population estimates certified to the Secretary by the State
Budget Office.

(e) Distribution Between Counties and Cities. — The sum of the amount allocated to
each county under subsection (d) of this section, as adjusted under subsection (d1) of this
section, and the amount allocated to each county under subdivision (d)(2) of this section. The
amount allocated to each county under subsection (d) of this section must then be divided
among the county and its cities on a per capita basis according to the total population of the
county plus the total population of the cities in the county. In the case of a city located in more
than one county, only that part of its population living in the county is considered its "total
population." In order to make the distribution, the Secretary must determine a per capita figure
by dividing the amount allocated to each county by the total population of the county and the
population of each city in the county; each respective product is the amount to be distributed to
the county and to each city in the county. To determine the population of each county and each
city, the Secretary must use the most recent annual estimate of population certified by the State
Budget Office.

"..."
SECTION 3. (d) G.S. 105-164.44M(d1) and (d2), as enacted by Section 1 of this act and as amended by Section 2 of this act, are repealed.

SECTION 3. (e) G.S. 105-164.3(4a) reads as rewritten:

"§ 105-164.3. Definitions.
The following definitions apply in this Article:

(4a) Combined general rate. – The State's general rate of tax set in G.S. 105-164.4(a) plus the sum of the rates of the local sales and use taxes one-quarter cent (1/4¢) county sales and use tax authorized by Article 46 of Subchapter VIII of this Chapter for every county in this State."

SECTION 3. (f) Article 46 of Chapter 105 of the General Statutes, as amended by this act, reads as rewritten:

"Article 46.

"One-Quarter Cent (1/4¢) County Sales and Use Tax.

"§ 105-535. Short title.
This Article is the One-Quarter Cent (1/4¢) County Sales and Use Tax Act.

"§ 105-536. Limitations.
This Article applies only to counties that levy the one-half percent (1/2%) sales and use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws.

"§ 105-537. Levy.
(a) Levy. – The board of county commissioner may levy a local sales and use tax at the rate of one-quarter percent (0.25%) upon the occurrence of any of the following:

(1) By resolution, if a majority of those voting in a special election held pursuant to subsection (b) of this section approve the levy of the local sales and use tax and the county has given not less than 10 days' public notice.

(2) By resolution, if no election has been held within five years under the provisions subsection (b) of this section in which the tax has been defeated and the county has given not less than 10 days' public notice of and held a public hearing.

(b) Vote. – The board of county commissioners may direct the county board of elections to conduct an advisory referendum on the question of whether to levy a local sales and use tax in the county as provided in this Article. The election shall be held in accordance with the procedures of G.S. 163-287.

(c) Ballot Question. – The form of the question to be presented on a ballot for a special election concerning the levy of the tax authorized by this Article shall be:

"[ ] FOR [ ] AGAINST

Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State and local sales and use taxes.


(e) Effective Date of Levy. – Collection of and liability for the tax must begin and continue only on and after the first day of a calendar quarter, as set by the board of county commissioners in the resolution levying the tax. In no event may the tax be imposed, or the tax rate changed, earlier than the first day of the second succeeding calendar month after the date of the adoption of the resolution. The county must give the Secretary at least 90 days' advance notice of a new tax levy or tax rate change. The applicability of a new tax or a tax rate change to purchases from printed catalogs becomes effective on the first day of a calendar quarter after a minimum of 120 days from the date the Secretary notifies the seller that receives orders by means of a catalog or similar publication of the new tax or tax rate change.

(f) Notification. – Upon adoption of a resolution levying the tax, the board of county commissioners must immediately deliver a certified copy of the resolution to the Secretary, accompanied by a certified statement from the county board of elections, if applicable, setting
§ 105-539. Scope of sales and use tax.

(a) Sales Tax. – The sales tax that may be imposed under this Article is limited to a tax at the rate of one-quarter percent (0.25%) of a retailer's net taxable sales and gross receipts that are subject to the general rate of sales tax imposed by the State under G.S. 105-164.4 except the tax does not apply to the sales price of a manufactured home or a modular home.

(b) Use Tax. – The use tax that may be imposed under this Article is limited to a tax at the rate of one-quarter percent (0.25%) of the cost price of each item or article of tangible personal property that is not sold in the taxing county but is used, consumed, or stored for use or consumption in the taxing county. The tax applies to the same items that are subject to tax under G.S. 105-467.

(c) Sourcing. – The sourcing principles in G.S. 105-164.4B apply in determining whether the local sales tax applies to a transaction.
of sales or use tax was due and has been paid with respect to tangible personal property by the purchaser in another taxing county within the State, or where a local sales or use tax was due and has been paid in a taxing jurisdiction outside the State where the purpose of the tax is similar in purpose and intent to the tax which may be imposed pursuant to this Article, the tax paid may be credited against the tax imposed under this section by a taxing county upon the same property. If the amount of sales or use tax paid is less than the amount of the use tax due the taxing county under this section, the purchaser must pay to the Secretary an amount equal to the difference between the amount paid in the other taxing county or jurisdiction and the amount due in the taxing county. The Secretary may require proof of payment in another taxing county or jurisdiction as the Secretary deems necessary. The use tax levied under this Article is not subject to credit for payment of any State sales or use tax not imposed for the benefit and use of counties. No credit shall be given under this section for sales or use taxes paid in a taxing jurisdiction outside this State if that taxing jurisdiction does not grant similar credit for sales taxes paid under this Article.

§ 105-540. Exemptions and Refunds.

(a) Exemptions and Refunds. – The State exemptions and exclusions contained in G.S. 105-164.13 apply to the local sales and use tax authorized to be levied and imposed under this Article.

(b) Refunds. – The State refund provisions contained in G.S. 105-164.14 through G.S. 105-164.14B apply to the local sales and use tax authorized to be levied and imposed under this Article. The refund allowed under this section does not apply to purchases of electricity, telecommunications service, ancillary service, piped natural gas, video programming, or a prepaid meal plan.

(c) Local Refund Allowed. – Except as provided in this section, a taxing county may not allow an exemption, exclusion, or refund that is not allowed under the State sales and use tax. A local school administrative unit and a joint agency created by interlocal agreement among local school administrative units pursuant to G.S. 160A-462 to jointly purchase food service-related materials, supplies, and equipment on their behalf is allowed an annual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services. Sales and use tax liability indirectly incurred by the entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the entity and is being erected, altered, or repaired for use by the entity is considered a sales or use tax liability incurred on direct purchases by the entity for the purpose of this subsection.

(d) Rescinded and Cancelled Sales. – A refund of an excessive or erroneous State sales tax collection allowed under G.S. 105-164.11 and a refund of State sales tax paid on a rescinded sale or cancelled service contract under G.S. 105-164.11A apply to the local sales and use tax authorized to be levied and imposed under this Article.

(e) Application. – A request for a refund is due in the same time and manner as provided in G.S. 105-164.14(c). Refunds applied for more than three years after the due date are barred.

§ 105-541. Distribution of Revenue.

The Secretary must, on a monthly basis, allocate to each taxing county for which the Secretary collects the tax the net proceeds of the tax collected in that county under this Article. The Secretary shall not divide the amount allocated to a county between the county and the municipalities within the county. For the purpose of this section, "net proceeds" means the gross proceeds of the tax collected in each county under this Article less taxes refunded, the cost to the State of collecting and administering the tax in the county as determined by the Secretary, and other deductions that may be charged to the county. If the Secretary collects local sales or use taxes in a month and the taxes cannot be identified as being attributable to a particular taxing county, the Secretary shall allocate the taxes among the taxing counties in
proportion to the amount of taxes collected in each county under this Article during that month and shall include them in the monthly distribution. Amounts collected by electronic funds transfer payments are included in the distribution for the month in which the return that applies to the payment is received.

"§ 105-542. Repeal of levy.

(a) The board of elections of any county, upon the written request of the board of county commissioners thereof, or upon receipt of a petition signed by qualified voters of the county equal in number to at least fifteen percent (15%) of the total number of votes cast in the county at the last preceding election for the office of Governor, shall call a special election for the purpose of submitting to the voters of the county the question of whether the levy of a one-quarter percent (0.25%) sales and use tax theretofore levied should be repealed. The special election shall be held under the same rules and regulations applicable to the election of members of the General Assembly. In addition, the board of county commissioners may, by resolution and without the necessity of an election proceed to terminate the levy and the imposition of the tax in the taxing county if the tax was levied without an election.

(b) Ballot Question. – The county board of elections shall prepare ballots for the special election which shall contain the words "FOR repeal of the one-quarter percent (0.25%) local sales and use tax levy," and the words "AGAINST repeal of the one-quarter percent (0.25%) local sales and use tax levy," with appropriate squares so that each voter may designate his vote by his cross (X) mark.

The county board of elections shall fix the date of the special election on a date permitted by G.S. 163-287; provided, however, that the special election shall not be held within one year from the date of the last preceding special election held under this section.

(c) Notification. – The board of county commissioners, upon adoption of said resolution, shall cause a certified copy of the resolution to be delivered immediately to the Secretary of Revenue, accompanied by a certified statement from the county board of elections, if applicable, setting forth the results of any special election approving the repeal of the tax in the county.

(d) Effective Date. – No termination of taxes levied and imposed under this Article shall be effective until the end of the fiscal year in which the repeal election was held. No liability for any tax levied under this Article which shall have attached prior to the effective date on which a levy is terminated shall be discharged as a result of such termination, and no right to a refund of tax or otherwise which shall have accrued prior to the effective date on which a levy is terminated shall be denied as a result of such termination."

SECTION 3. G.S. 105-507.2 reads as rewritten:

"§ 105-507.2. Levy and collection of sales and use tax.

If the majority of those voting in a referendum held pursuant to G.S. 105-507.1 vote for the levy of the tax, the board of commissioners of the county may, by resolution, levy one-half percent (½%) local sales and use taxes in addition to any other State and local sales and use taxes levied pursuant to law. Except as provided in this Part, the adoption, levy, collection, administration, and repeal of these additional taxes shall be in accordance with Article 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this Part, references to "this Article" mean "Part 1 of Article 43 of Chapter 105 of the General Statutes."

SECTION 3. G.S. 105-509.1 reads as rewritten:

"§ 105-509.1. Levy and collection of sales and use tax – regional public transportation authority.

If the majority of those voting in a referendum held pursuant to G.S. 105-509 vote for the levy of the tax, the transportation authority may, by resolution, levy one-half percent (½%) local sales and use taxes within the special district, in addition to any other State and local sales and use taxes levied pursuant to law. In determining the results of the election in a multicounty..."
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section, and in a multicounty district a petition for repeal under Article 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this Article, references to "this Article" mean "Part 5 of Article 43 of Chapter 105 of the General Statutes." Any repeal of the tax shall be done by the same procedure as its enactment under this section, and in a multicounty district a petition for repeal under G.S. 105-473-G.S. 105-542 shall be judged by the total votes in all the counties in the district."

SECTION 3.(i) G.S. 105-510.1 reads as rewritten:

"§ 105-510.1. Levy and collection of sales and use tax – regional transportation authority.

If the majority of those voting in a referendum held pursuant to G.S. 105-510 vote for the levy of the tax, the transportation authority may, by resolution, levy a half percent (1/2%) local sales and use taxes within the special district, in addition to any other State and local sales and use taxes levied pursuant to law. In determining the results of the election in a multicounty district, all the counties of the district shall be considered to be one unit but also must receive a majority vote in each county, except that if the referendum is passed in one but not both of the counties, the county in which the referendum was not approved is removed from the special district upon certification of the election result and the county that approved the referendum shall remain in the special district. Except as provided in this Part, the adoption, levy, collection, administration, and repeal of these additional taxes shall be in accordance with Article 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this Article, references to "this Article" mean "Part 5 of Article 43 of Chapter 105 of the General Statutes." Any repeal of the tax shall be done by the same procedure as its enactment under this section, and in a multicounty district a petition for repeal under G.S. 105-473-G.S. 105-542 shall be judged by the total votes in all the counties in the district."

SECTION 3.(j) G.S. 105-511.3 reads as rewritten:

"§ 105-511.3. Levy and collection of sales and use tax.

If the majority of those voting in a referendum held pursuant to this Part vote for the levy of the tax, the board of commissioners of the county may, by resolution, levy a quarter percent (1/4%) local sales and use taxes in addition to any other State and local sales and use taxes levied pursuant to law. Except as provided in this Part, the adoption, levy, collection, administration, and repeal of these additional taxes shall be in accordance with Article 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this Part, references to "this Article" mean "Part 6 of Article 43 of Chapter 105 of the General Statutes."

SECTION 3.(k) This section becomes effective January 1, 2018, and applies to sales occurring on or after that date.

SECTION 4. This act does not affect the rights or liabilities of a taxing county, a taxpayer, or another person arising under a statute repealed by this act before the effective date of its repeal; nor does it affect the right to any refund or credit of a tax that accrued under the repealed statute before the effective date of its repeal.

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.