

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1101\*  
Second Edition Engrossed 5/22/96

Short Title: Amend Local Sales Taxes.

(Public)

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Sponsors: Representatives Daughtry, Arnold, Shubert; Sexton, Rayfield, and Hill.

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Referred to: Education, if favorable, Finance.

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May 14, 1996

A BILL TO BE ENTITLED

1  
2 AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE SCHOOL CAPITAL  
3 CONSTRUCTION STUDY COMMISSION TO MAKE PERMANENT THE  
4 REQUIREMENT THAT COUNTIES USE PART OF THE TWO HALF-CENT  
5 LOCAL SALES TAX PROCEEDS ONLY FOR PUBLIC SCHOOL CAPITAL  
6 OUTLAY PURPOSES.

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 105-487(a) reads as rewritten:

9 "(a) Except as provided in subsection (e), ~~forty percent (40%) of the revenue~~  
10 ~~received by a county from additional one-half percent (1/2%) sales and use taxes levied~~  
11 ~~under this Article during the first five fiscal years in which the additional taxes are in~~  
12 ~~effect in the county and (c) of this section, thirty percent (30%) of the revenue received~~  
13 ~~by a county from these taxes in the next 10 fiscal years in which the taxes are in effect in~~  
14 ~~the county additional one-half percent (1/2%) sales and use taxes levied under this Article~~  
15 may be used by the county only for public school capital outlay purposes as defined in  
16 G.S. 115C-426(f) or to retire any indebtedness incurred by the county for these  
17 purposes."

18 Sec. 2. G.S. 105-502(a) reads as rewritten:

1       "(a) Sixty percent (60%) of the revenue received by a county under this Article  
2 ~~during the first 16 fiscal years in which the tax is in effect~~ may be used by the county only for  
3 public school capital outlay purposes as defined in G.S. 115C-426(f) or to retire any  
4 indebtedness incurred by the county for these purposes during the period beginning five  
5 years prior to the date the taxes took effect."

6               Sec. 3. This act becomes effective July 1, 1996.