

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 759

Short Title: Nonprofit Home Sales Tax Refund.

(Public)

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Sponsors: Representatives Gray; Beall, Fitch, Buchanan, and Dockham.

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Referred to: Finance.

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April 5, 1995

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT A HOME FOR THE AGED, SICK, OR INFIRM  
2 WHOSE PROPERTY IS EXEMPT FROM PROPERTY TAX IS ALLOWED A  
3 REFUND OF STATE AND LOCAL SALES AND USE TAXES.  
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 105-164.14(b), as amended by Chapter 17 of the 1995 Session  
7 Laws, reads as rewritten:

8 "~~(b) Nonprofit Corporations, Entities and Hospital Drugs. —The Secretary shall~~  
9 ~~make refunds semiannually to hospitals not operated for profit (including hospitals and~~  
10 ~~medical accommodations operated by an authority created under the Hospital Authorities~~  
11 ~~Law, Article 2 of Chapter 131E of the General Statutes), educational institutions not~~  
12 ~~operated for profit, and churches, orphanages, and other charitable or religious~~  
13 ~~institutions and organizations not operated for profit—A nonprofit entity included in the~~  
14 following list is allowed a semiannual refund of sales and use taxes paid by it under this  
15 Article, except under G.S. 105-164.4(a)(4a) and G.S. 105-164.4(a)(4c), by these  
16 ~~institutions and organizations on direct purchases of tangible personal property for use in~~  
17 carrying on the work of the institutions or organizations—nonprofit entity:

18 (1) Hospitals not operated for profit, including hospitals and medical  
19 accommodations operated by an authority created under the Hospital  
20 Authorities Law, Article 2 of Chapter 131E of the General Statutes.

1           (2) Educational institutions not operated for profit.

2           (3) Churches, orphanages, and other charitable or religious institutions and  
3           organizations not operated for profit.

4           (4) Homes for the aged, sick, or infirm whose property is excluded from  
5           property tax under G.S. 105-275(32).

6           Sales and use tax liability indirectly incurred by ~~one of these institutions or organizations~~  
7 a nonprofit entity on building materials, supplies, fixtures, and equipment that become a  
8 part of or annexed to any building or structure that is owned or leased by the ~~institution or~~  
9 ~~organization~~ nonprofit entity and is being erected, altered, or repaired for use by the  
10 ~~institution or organization~~ nonprofit entity for carrying on its nonprofit activities is  
11 considered a sales or use tax liability incurred on direct purchases by the ~~institution or~~  
12 ~~organization~~. The Secretary shall also make refunds semiannually to all other hospitals not  
13 ~~excluded by this subsection~~ nonprofit entity.

14           A hospital that is not allowed a refund under this subsection of sales and use taxes  
15 paid on its direct purchases of tangible personal property is allowed a semiannual refund  
16 of sales and use tax taxes paid by them it on medicines and drugs purchased for use in  
17 carrying out their its work. This

18           The refunds allowed under this subsection does for certain nonprofit entities and for  
19 medicines and drugs purchased by hospitals do not apply to organizations, corporations,  
20 and institutions that are owned and controlled by the United States, the State, or a unit of  
21 local government, except hospital facilities created under Article 2 of Chapter 131E of  
22 the General Statutes and nonprofit hospitals owned and controlled by a unit of local  
23 government that elect to receive semiannual refunds under this subsection instead of  
24 annual refunds under subsection (c). A

25           A request for a refund must be in writing and must include any information and  
26 documentation required by the Secretary. A request for a refund for the first six months  
27 of a calendar year is due the following October 15; a request for a refund for the second  
28 six months of a calendar year is due the following April 15."

29           Sec. 2. This act is effective upon ratification and applies retroactively to July  
30 1, 1994.