

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 291
Finance Committee Substitute Adopted 4/20/95

Short Title: Nonprofit License Tax Exemption.

(Public)

Sponsors:

Referred to:

March 2, 1995

A BILL TO BE ENTITLED

AN ACT TO EXEMPT CERTAIN NONPROFIT ORGANIZATIONS FROM PAYING
THE LICENSE TAX FOR SPECIALTY MARKET OPERATORS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-53 is amended by adding a new subsection to read:

"(c1) Charitable Exemption. – A nonprofit organization meeting the requirements of this subsection may obtain a license from the Secretary for the privilege of engaging in business as a specialty market operator without paying the tax levied under subsection (c) of this section. An application for license under this subsection must be accompanied by a determination letter from the Internal Revenue Service and the Department of Revenue indicating that the organization is an exempt organization and stating the section under which that exemption is granted. If the organization is a State or local branch, lodge, post, or chapter of a national organization, a copy of the determination letter of the national organization satisfies this requirement. The exemption applies only when the specialty market is actually operated by a nonprofit organization and the rental fee proceeds are used exclusively for the civic or charitable purpose of the organization. A specialty market operator may operate only one specialty market pursuant to a license issued under this subsection within a 12-month period and the specialty market may not

1 last longer than 48 hours. This subsection applies only to the following nonprofit
2 organizations:

3 (1) A volunteer fire department or volunteer rescue squad that is not part of
4 a unit of local government and is exempt from State income tax under
5 G.S. 105-130.11. As used in this section, the term 'rescue squad' means
6 an organization that provides rescue services, emergency medical
7 services, or both.

8 (2) A civic club that is a member club of a nationally recognized civic
9 organization and is exempt from State income tax under G.S. 105-
10 130.11(a)(5)."

11 Sec. 2. This act becomes effective July 1, 1995.