

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1370\*

Short Title: Amend Local Sales Tax.

(Public)

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Sponsors: Representatives Yongue, Preston; Warner, Hurley, Bonner, and Sutton.

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Referred to: Finance.

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May 21, 1998

A BILL TO BE ENTITLED

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2 AN ACT TO MAKE PERMANENT THE REQUIREMENT THAT COUNTIES USE  
3 PART OF THE TWO HALF-CENT LOCAL SALES TAX PROCEEDS ONLY FOR  
4 PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES.

5 The General Assembly of North Carolina enacts:

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

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

16 Section 2. G.S. 105-502(a) reads as rewritten:

17 "(a) Sixty percent (60%) of the revenue received by a county under this Article  
18 ~~during the first 16 fiscal years in which the tax is in effect~~ may be used by the county only for  
19 public school capital outlay purposes as defined in G.S. 115C-426(f) or to retire any

- 1 indebtedness incurred by the county for these purposes during the period beginning five  
2 years prior to the date the taxes took effect."  
3           Section 3. This act becomes effective July 1, 1998.