

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 1252 (Second Edition) Proposed Amendment

SHORT TITLE: Simplify Privilege License Tax

SPONSOR(S): Rep. Starnes

FISCAL IMPACT

	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
General Fund		(\$700,000)	(\$700,000)	(\$700,000)	(\$700,000)

**PRINCIPAL DEPARTMENT(S) &
PROGRAM(S) AFFECTED:** Department of Revenue

EFFECTIVE DATE: Effective July 1, 1999.

BILL SUMMARY: The amendment changes the privilege license for loan agencies or brokers (G.S. 105-88) to apply only to each business and not to each office or branch of a business.

ASSUMPTIONS AND METHODOLOGY: This amendment will reduce General Fund revenue by approximately \$700,000 each year. In FY 1997-98, there were 1,214 privilege licenses issued to loan agencies or brokers. Of that number, 243 licenses were issued to businesses with one location and 42 licenses were issued to businesses with multiple locations. The 42 businesses with multiple locations pay for 971 licenses. Under this amendment, the 42 businesses would pay only for 42 licenses and would eliminate 929 licenses for branch offices. At \$750 per license, the elimination of 929 licenses is equal to \$696,750. This fiscal note assumes no growth in the next five years.

FISCAL RESEARCH DIVISION
733-4910
PREPARED BY: Richard Bostic

APPROVED BY: Tom Covington
DATE: July 14, 1998

Official
Fiscal Research Division
Publication



Signed Copy Located in the NCGA Principal Clerk's Offices