

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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**HOUSE BILL 364\***

Short Title: Agricultural Fair Refunds.

(Public)

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Sponsors: Representatives McCrary; Allred, Baker, Barefoot, Boyd-McIntyre, Clary, Cole, Haire, Hensley, Hill, Horn, Kinney, Michaux, Mitchell, Oldham, Thomas, Tolson, and Womble.

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Referred to: Finance.

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March 8, 1999

**A BILL TO BE ENTITLED**

**AN ACT TO ALLOW SALES TAX REFUNDS FOR AGRICULTURAL FAIRS.**

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.14(b) reads as rewritten:

"(b) Nonprofit Entities and Hospital Drugs. – A nonprofit entity included in the following list is allowed a semiannual refund of sales and use taxes paid by it under this Article, except under G.S. 105-164.4(a)(4a) and G.S. 105-164.4(a)(4c), on direct purchases of tangible personal property for use in carrying on the work of the nonprofit entity:

- (1) Hospitals not operated for profit, including hospitals and medical accommodations operated by an authority created under the Hospital Authorities Law, Article 2 of Chapter 131E of the General Statutes.
- (2) Educational institutions not operated for profit.
- (3) Churches, orphanages, and other charitable or religious institutions and organizations not operated for profit.
- (4) Qualified retirement facilities whose property is excluded from property tax under G.S. 105-278.6A.

1           (5)   Agricultural fairs licensed by the Commissioner of Agriculture pursuant  
2           to G.S. 106-520.3.

3           Sales and use tax liability indirectly incurred by a nonprofit entity on building  
4 materials, supplies, fixtures, and equipment that become a part of or annexed to any  
5 building or structure that is owned or leased by the nonprofit entity and is being erected,  
6 altered, or repaired for use by the nonprofit entity for carrying on its nonprofit activities is  
7 considered a sales or use tax liability incurred on direct purchases by the nonprofit entity.

8           A hospital that is not allowed a refund under this subsection of sales and use taxes  
9 paid on its direct purchases of tangible personal property is allowed a semiannual refund  
10 of sales and use taxes paid by it on medicines and drugs purchased for use in carrying out  
11 its work.

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

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

23          Section 2. This act becomes effective July 1, 1999, and applies to taxes paid  
24 on or after that date.