

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

SESSION LAW 2004-84
HOUSE BILL 1303

AN ACT TO REDUCE PRIVILEGE AND EXCISE TAXES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-40 is amended by adding two new subdivisions to read:

"(6a) A youth athletic contest with an admissions price that does not exceed ten dollars (\$10.00) sponsored by a person exempt from income tax under Article 4 of this Chapter. For the purpose of this subdivision, a youth athletic contest means a contest in which each participating athlete is less than 20 years of age.

"(7a) All exhibitions, performances, and entertainments promoted and managed by a nonprofit arts organization that is exempt from income tax under G.S. 105-130.11(a)(3). This exemption does not apply to athletic events."

SECTION 2.(a) G.S. 105-113.21 reads as rewritten:

"§ 105-113.21. Refund.Discount; refund.

(a) Discount. – A distributor who files a timely report under G.S. 105-113.18 and who sends a timely payment may deduct from the amount due with the report a discount of two percent (2%). This discount covers expenses incurred in preparing the records and reports required by this Part, and the expense of furnishing a bond.

(b) Refund. – A distributor in possession of packages of stale or otherwise unsalable cigarettes upon which the tax has been paid may return the cigarettes to the manufacturer and apply to the Secretary for refund of the tax. The application shall be in the form prescribed by the Secretary and shall be accompanied by an affidavit from the manufacturer stating the number of cigarettes returned to the manufacturer by the applicant. The Secretary shall refund the tax ~~paid~~paid, less the discount allowed, on the unsalable cigarettes."

SECTION 2.(b) G.S. 105-113.35(c) reads as rewritten:

"(c) Secondary Liability. – A retail dealer who acquires non-tax-paid tobacco products subject to the tax imposed by this section from a wholesale dealer is liable for any tax due on the tobacco products. A retail dealer who is liable for tax under this subsection may not deduct a discount from the amount of tax due when reporting the tax."

SECTION 2.(c) G.S. 105-113.39 is reenacted and reads as rewritten:

"§ 105-113.39. Discount.

A wholesale dealer or a retail dealer who is primarily liable under G.S. 105-113.35(b) for the excise taxes imposed by this Part, who files a timely report under G.S. 105-113.37, and who sends a timely payment may deduct from the amount due with the report a discount of ~~four percent (4%)~~two percent (2%). This discount covers losses due to damage to tobacco products, expenses incurred in preparing the records and reports required by this Part, and the expense of furnishing a bond."

SECTION 2.(d) G.S. 105-113.85 is reenacted and reads as rewritten:

"§ 105-113.85. Discount.

Each wholesaler or importer who files a timely return and sends a timely payment may deduct from the amount payable a discount of ~~four percent (4%)~~ two percent (2%). This discount covers losses due to spoilage and breakage, expenses incurred in preparing the records and reports required by this Article, and the expense of furnishing a bond."

SECTION 3. Section 1 of this act becomes effective July 1, 2004. Section 2 of this act is effective for reporting periods beginning on or after August 1, 2004. Section 3 of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2004.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 4:13 p.m. this 8th day of July, 2004