

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS55678-MC-191 (11/2)

Short Title: Earliest Eff. Date For S/U Tax Rate Change. (Public)

Sponsors: Senator Snow.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO DESIGNATE THE EARLIEST DATE ON WHICH A SALES AND USE
TAX RATE CHANGE MAY BECOME EFFECTIVE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.15A reads as rewritten:

"§ ~~105-164.15A. Effective date of rate changes for services and items taxed at
combined general rate changes.~~

(a) Services. – The effective date of a rate change for a service taxable under this
Article is administered as follows:

(1) For a rate increase, the new rate applies to the first billing period that
starts on or after the effective date. For a service billed after it is
provided, the first billing period starts on the effective date. For a
service billed before it is provided, the first billing period starts on the
first day of the month after the effective date.

(2) For a rate decrease, the new rate applies to bills rendered on or after
the effective date.

(b) Combined Rate Items. – The effective date of a rate change for an item that is
taxable under this Article at the combined general rate is the effective date of any of the
following:

(1) The effective date of a change in the State general rate of tax set in
G.S. 105-164.4.

(2) For an increase in the authorization for local sales and use taxes, the
date on which local sales and use taxes authorized by Subchapter VIII
of this Chapter for every county become effective in the first county or
group of counties to levy the authorized taxes.

(3) For a repeal in the authorization for local sales and use taxes, the
effective date of the repeal.

1 (c) Earliest Effective Date. – The earliest effective date of a rate change under
2 this Article is the first day of the second succeeding month after the date the Governor
3 signs the bill into law. This subsection supersedes any contrary effective date set in a
4 bill that changes the rate that the Governor signs into law."

5 **SECTION 2.** This act is effective when it becomes law.