

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015**

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**SENATE BILL 399  
Transportation Committee Substitute Adopted 5/13/15  
Finance Committee Substitute Adopted 7/21/15**

Short Title: Joint Agency Tax Refund.

(Public)

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Sponsors:

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Referred to:

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March 25, 2015

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW A JOINT AGENCY CREATED TO PROVIDE POLICE  
3 PROTECTION, FIRE PROTECTION, AND EMERGENCY SERVICES A REFUND OF  
4 SALES AND USE TAXES PAID AND TO DIRECT THE REVENUE LAW STUDY  
5 COMMITTEE TO EXAMINE THE APPLICATION OF THE EXEMPTION OF THE  
6 MOTOR FUELS TAX TO ENTITIES COMPRISED OF MULTIPLE LOCAL  
7 GOVERNMENT UNITS.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** G.S. 105-164.14(c)(17) reads as rewritten:

10 "(c) Certain Governmental Entities. – A governmental entity listed in this subsection is  
11 allowed an annual refund of sales and use taxes paid by it under this Article on direct purchases  
12 of tangible personal property and services. Sales and use tax liability indirectly incurred by a  
13 governmental entity on building materials, supplies, fixtures, and equipment that become a part  
14 of or annexed to any building or structure that is owned or leased by the governmental entity  
15 and is being erected, altered, or repaired for use by the governmental entity is considered a  
16 sales or use tax liability incurred on direct purchases by the governmental entity for the purpose  
17 of this subsection. The refund allowed under this subsection does not apply to purchases of  
18 electricity, telecommunications service, ancillary service, piped natural gas, video  
19 programming, or a prepaid meal plan. A request for a refund must be in writing and must  
20 include any information and documentation required by the Secretary. A request for a refund is  
21 due within six months after the end of the governmental entity's fiscal year.

22 This subsection applies only to the following governmental entities:

23 ...  
24 (17) A joint agency created by interlocal agreement pursuant to G.S. 160A-462 to  
25 (i) provide fire protection, emergency services, or police protection or (ii)  
26 operate a public broadcasting television station.

27 ...."

28 **SECTION 2.** The Revenue Laws Study Committee is directed to study the  
29 application of the motor fuels tax exemption to entities that are comprised of multiple local  
30 government units. The study may include an examination of how the exemption applies to joint  
31 agencies created by interlocal agreements and regional authorities created by agreement of  
32 multiple counties.

33 **SECTION 3.** Section 1 of this act becomes effective July 1, 2015, and applies to  
34 sales made on or after that date. The remainder of this act is effective when it becomes law.

