GENERAL ASSEMBLY OF NORTH CAROLINA
SECOND EXTRA SESSION 2018

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SENATE BILL 3

Short Title:	Modify Constitutional Tax Rate Caps.	(Public)
Sponsors:	Senator Clark (Primary Sponsor).	
Referred to:	Rules and Operations of the Senate	

August 24, 2018

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE PROPOSED CONSTITUTIONAL AMENDMENT MODIFYING THE MAXIMUM TAX RATE ON INCOMES AND TO AMEND THE NORTH CAROLINA CONSTITUTION TO PROVIDE THAT THE MAXIMUM STATE SALES AND USE TAX RATE, NOT INCLUDING AUTHORIZED LOCAL SALES AND USE TAXES AND NOT INCLUDING OTHER TAXES IMPOSED BY THE STATE, CANNOT EXCEED SIX PERCENT.

The General Assembly of North Carolina enacts:

SECTION 1. Section 2 of Article V of the North Carolina Constitution is amended by adding a new subsection to read:

"(6a) Sales tax. The State rate of tax on net taxable sales or gross receipts, not including other State or local taxes, shall not in any case exceed six percent."

SECTION 2. The amendment set out in Section 1 of this act shall be submitted to the qualified voters of the State at a statewide general election to be held in November of 2018, which election shall be conducted under the laws then governing elections in the State. Ballots, voting systems, or both may be used in accordance with Chapter 163A of the General Statutes. The question to be used in the voting systems and ballots shall be:

"[ ] FOR [ ] AGAINST

Constitutional amendment to set a maximum allowable State sales and use tax rate, not including other State or local taxes, of six percent (6%)."

SECTION 3. If a majority of votes cast on the question are in favor of the amendment set out in Section 1 of this act, the Bipartisan State Board of Elections and Ethics Enforcement shall certify the amendment to the Secretary of State. The Secretary of State shall enroll the amendment so certified among the permanent records of that office.

SECTION 4. The constitutional amendment shall become effective upon such certification and apply to sales occurring on or after that date.

SECTION 5. Effective when this act becomes law, S.L. 2018-119 is repealed.

SECTION 6. Except as otherwise provided, this act is effective when it becomes law.