

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: Senate Bill 659
SHORT TITLE: Conform Aircraft Sales Tax
SPONSOR(S): Senator Kaplan

FISCAL IMPACT: **Expenditures:** **Increase ()** **Decrease ()**
 Revenues: **Increase ()** **Decrease (X)**
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: **General Fund (X)** **Highway Fund ()** **Local Govt. ()**
 Other Funds ()

BILL SUMMARY: The bill excludes from the definition of sales price in the state sales and use tax law the deposits collected by retailers on aeronautic replacement parts. These deposits are commonly referred to as "core charges" in the repair industry.

This exclusion already exists for core charges collected for automotive, industrial, marine, and farm replacement parts.

EFFECTIVE DATE: August 1, 1993, and applies to sales made on or after that date

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Revenue, Sales and Use Tax Division

FISCAL IMPACT

	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	
	<u>FY98</u>				
REVENUES:					
GENERAL FUND	(\$91,666)	(\$105,000)	(\$110,250)	(\$115,762)	
(\$121,550)					
HIGHWAY FUND					
HIGHWAY TRUST FUND					
LOCAL	(\$45,833)	(\$52,500)	(\$55,125)	(\$57,881)	(\$60,775)

EXPENDITURES None

POSITIONS: None

ASSUMPTIONS AND METHODOLOGY: This estimate was generated by the Tax Research Division of the Department of Revenue from confidential taxpayer information on sales and use tax returns. The effective date of the bill is August 1, 1993, so the first year's figures represent 11/12 of the fiscal year.

SOURCES OF DATA: NC Department of Revenue; Tax Research Division

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION 733-4910

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APPROVED BY: TOMC

DATE: June 17, 1993



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