

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 271  
Committee Substitute Favorable 3/5/97  
Third Edition Engrossed 3/12/97

Short Title: School District Sales Tax Refunds.

(Public)

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Sponsors:

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Referred to:

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February 18, 1997

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO OBTAIN REFUNDS  
3 OF SALES AND USE TAXES.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-164.14(c) reads as rewritten:

6 "(c) Certain Governmental Entities. – A governmental entity listed in this  
7 subsection is allowed an annual refund of sales and use ~~tax~~taxes paid by it under this  
8 Article, except under G.S. 105-164.4(a)(4a) and G.S. 105-164.4(a)(4c), on direct  
9 purchases of tangible personal property. Sales and use tax liability indirectly incurred by  
10 a governmental entity on building materials, supplies, fixtures, and equipment that  
11 become a part of or annexed to any building or structure that is owned or leased by the  
12 governmental entity and is being erected, altered, or repaired for use by the governmental  
13 entity is considered a sales or use tax liability incurred on direct purchases by the  
14 governmental entity for the purpose of this subsection. A request for a refund must be in  
15 writing and must include any information and documentation required by the Secretary.  
16 A request for a refund is due within six months after the end of the governmental entity's  
17 fiscal year.

18 This subsection applies only to the following governmental entities:

- 1 (1) A county.
- 2 (2) A city as defined in G.S. 160A-1.
- 3 (2a) A consolidated city-county as defined in G.S. 160B-2.
- 4 (2b) A local school administrative unit. Notwithstanding any other  
5 provisions of law, a refund payable under this subdivision of the local  
6 sales and use taxes to cities levied under Articles 39, 40, and 42 of this  
7 Chapter and under the Mecklenburg County Sales and Use Tax Act,  
8 Chapter 1096 of the 1967 Session Laws, as amended, shall be drawn  
9 from the General Fund and shall not be deducted from the distribution  
10 to the cities.
- 11 (3) A metropolitan sewerage district or a metropolitan water district in this  
12 State.
- 13 (4) A water and sewer authority created under Chapter 162A of the General  
14 Statutes.
- 15 (5) A lake authority created by a board of county commissioners pursuant  
16 to an act of the General Assembly.
- 17 (6) A sanitary district.
- 18 (7) A regional solid waste management authority created pursuant to G.S.  
19 153A-421.
- 20 (8) An area mental health, developmental disabilities, and substance abuse  
21 authority, other than a single-county area authority, established pursuant  
22 to Article 4 of Chapter 122C of the General Statutes.
- 23 (9) A district health department.
- 24 (10) A regional council of governments created pursuant to G.S. 160A-470.
- 25 (11) A regional planning and economic development commission or a  
26 regional economic development commission created pursuant to  
27 Chapter 158 of the General Statutes.
- 28 (12) A regional planning commission created pursuant to G.S. 153A-391.
- 29 (13) A regional sports authority created pursuant to G.S. 160A-479.
- 30 (14) A public transportation authority created pursuant to Article 25 of  
31 Chapter 160A of the General Statutes.
- 32 (14a) A facility authority created pursuant to Part 4 of Article 20 of Chapter  
33 160A of the General Statutes.
- 34 (15) A regional public transportation authority created pursuant to Article 26  
35 of Chapter 160A of the General Statutes.
- 36 (16) A local airport authority that was created pursuant to a local act of the  
37 General Assembly and has at least one of the following characteristics:
  - 38 a. It has all of the rights of a municipality.
  - 39 b. A local act of the General Assembly declares it to be a  
40 municipality.
  - 41 c. A local act of the General Assembly specifically authorizes it to  
42 receive a refund under this section.

- 1           (17) A joint agency created by interlocal agreement pursuant to G.S. 160A-  
2           462 to operate a public broadcasting television station.
- 3           (18) The North Carolina Low-Level Radioactive Waste Management  
4           Authority created pursuant to Chapter 104G of the General Statutes.
- 5           (19) The North Carolina Hazardous Waste Management Commission created  
6           pursuant to Chapter 130B of the General Statutes.
- 7           (20) A constituent institution of The University of North Carolina, but only  
8           with respect to sales and use tax paid by it for tangible personal property  
9           acquired by it through the expenditure of contract and grant funds.
- 10          (21) The University of North Carolina Hospitals at Chapel Hill."
- 11          Section 2. This act is effective when it becomes law and applies to taxes paid  
12          on or after January 1, 1997.