

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 335

Short Title: No Privilege Tax for Certain Professions. (Public)

Sponsors: Representative Tyson.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Finance, if favorable, Rules, Calendar, and Operations of the House

March 13, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO ELIMINATE CERTAIN PRIVILEGE TAXES.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-41 is repealed.

5 **SECTION 2.** G.S. 53-191 reads as rewritten:

6 "**§ 53-191. Businesses exempted.**

7 Nothing in this Article shall be construed to apply to any person, firm or corporation doing  
8 business under the authority of any law of this State or of the United States relating to banks,  
9 trust companies, savings and loan associations, cooperative credit unions, agricultural credit  
10 corporations or associations organized under the laws of North Carolina, production credit  
11 associations organized under the act of Congress known as the Farm Credit Act of 1933,  
12 pawnbrokers lending or advancing money on specific articles of personal property, industrial  
13 banks, the business of negotiating loans on real ~~estate as defined in G.S. 105-41, estate~~, nor to  
14 installment paper dealers as defined in G.S. 105-83 other than persons, firms and corporations  
15 engaged in the business of accepting fees for endorsing or otherwise securing loans or contracts  
16 for repayment of loans."

17 **SECTION 3.** G.S. 93-12(12) is repealed.

18 **SECTION 4.** G.S. 105-88(b) reads as rewritten:

19 "(b) This section does not apply to banks, industrial banks, trust companies, savings and  
20 loan associations, cooperative credit unions, the business of negotiating loans on real ~~estate as~~  
21 ~~described in G.S. 105-41, estate~~, or insurance premium finance companies licensed under Article  
22 35 of Chapter 58 of the General Statutes. This section applies to those persons or concerns  
23 operating what are commonly known as loan companies or finance companies and whose  
24 business is as hereinbefore described, and those persons, firms, or corporations pursuing the  
25 business of lending money and taking as security for the payment of the loan and interest an  
26 assignment of wages or an assignment of wages with power of attorney to collect the amount  
27 due, or other order or chattel mortgage or bill of sale upon household or kitchen furniture. No  
28 real estate mortgage broker is required to obtain a privilege license under this section merely  
29 because the broker advances the broker's own funds and takes a security interest in real estate to  
30 secure the advances and when, at the time of the advance, the broker has already made  
31 arrangements with others for the sale or discount of the obligation at a later date and does so sell  
32 or discount the obligation within the period specified in the arrangement or extensions thereof;  
33 or when, at the time of the advance the broker intends to sell the obligation to others at a later  
34 date and does, within 12 months from date of initial advance, make arrangements with others for  
35 the sale of the obligation and does sell the obligation within the period specified in the



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1 arrangement or extensions thereof; or because the broker advances the broker's own funds in  
2 temporary financing directly involved in the production of permanent-type loans for sale to  
3 others; and no real estate mortgage broker whose mortgage lending operations are essentially as  
4 described above is required to obtain a privilege license under this section."

5 **SECTION 5.** This act is effective for taxes imposed for taxable years beginning on  
6 or after July 1, 2024.