

GENERAL ASSEMBLY OF NORTH CAROLINA  
1995 SESSION

CHAPTER 472  
HOUSE BILL 759

AN ACT TO PROVIDE THAT A HOME FOR THE AGED, SICK, OR INFIRM WHOSE PROPERTY IS EXEMPT FROM PROPERTY TAX IS ALLOWED A REFUND OF STATE AND LOCAL SALES AND USE TAXES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.14(b), as amended by Chapter 17 of the 1995 Session Laws, reads as rewritten:

~~"(b) Nonprofit Corporations, Entities and Hospital Drugs. — The Secretary shall make refunds semiannually to hospitals not operated for profit (including hospitals and medical accommodations operated by an authority created under the Hospital Authorities Law, Article 2 of Chapter 131E of the General Statutes), educational institutions not operated for profit, and churches, orphanages, and other charitable or religious institutions and organizations not operated for profit — A nonprofit entity included in the following list is allowed a semiannual refund of sales and use taxes paid by it under this Article, except under G.S. 105-164.4(a)(4a) and G.S. 105-164.4(a)(4c), by these institutions and organizations on direct purchases of tangible personal property for use in carrying on the work of the institutions or organizations. — nonprofit entity:~~

- ~~(1) Hospitals not operated for profit, including hospitals and medical accommodations operated by an authority created under the Hospital Authorities Law, Article 2 of Chapter 131E of the General Statutes.~~
- ~~(2) Educational institutions not operated for profit.~~
- ~~(3) Churches, orphanages, and other charitable or religious institutions and organizations not operated for profit.~~
- ~~(4) Homes for the aged, sick, or infirm whose property is excluded from property tax under G.S. 105-275(32).~~

~~Sales and use tax liability indirectly incurred by one of these institutions or organizations — a nonprofit entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the institution or organization — nonprofit entity and is being erected, altered, or repaired for use by the institution or organization — nonprofit entity for carrying on its nonprofit activities is considered a sales or use tax liability incurred on direct purchases by the institution or organization. The Secretary shall also make refunds semiannually to all other hospitals not excluded by this subsection — nonprofit entity.~~

~~A hospital that is not allowed a refund under this subsection of sales and use taxes paid on its direct purchases of tangible personal property is allowed a semiannual refund~~

of sales and use ~~tax~~ taxes paid by ~~them~~ it on medicines and drugs purchased for use in carrying out ~~their~~ its work. ~~This~~

The refunds allowed under this subsection does for certain nonprofit entities and for medicines and drugs purchased by hospitals do not apply to organizations, corporations, and institutions that are owned and controlled by the United States, the State, or a unit of local government, except hospital facilities created under Article 2 of Chapter 131E of the General Statutes and nonprofit hospitals owned and controlled by a unit of local government that elect to receive semiannual refunds under this subsection instead of annual refunds under subsection (c). A

A request for a refund must be in writing and must include any information and documentation required by the Secretary. A request for a refund for the first six months of a calendar year is due the following October 15; a request for a refund for the second six months of a calendar year is due the following April 15."

Sec. 2. This act is effective upon ratification and applies to purchases made on or after January 1, 1995.

In the General Assembly read three times and ratified this the 25th day of July, 1995.

---

Dennis A. Wicker  
President of the Senate

---

Harold J. Brubaker  
Speaker of the House of Representatives