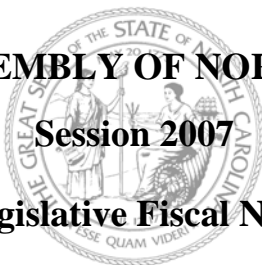


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 2558 (Second Edition)

SHORT TITLE: Home Inspector Privilege License.

SPONSOR(S): Representative Ross

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
REVENUES	\$78,500	\$77,800	\$76,400	\$76,900	\$76,800
Counties and Municipalities	**No Estimate Available**				
EXPENDITURES					
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Dept. of Revenue					
EFFECTIVE DATE: This act is effective when it becomes law and applies to taxable years beginning on or after July 1, 2008.					

BILL SUMMARY:

House Bill 2558 adds licensed home inspectors to the list of professions and business practices listed under G.S. 105-41(a) that are required to obtain a privilege license from the Secretary of Revenue.

It allows a city that imposed a license tax on a home inspector under GS Chapter 143 Article 9F for fiscal year 2008-09 to impose and collect the tax for fiscal year 2008-09 and prohibits cities from levying a license tax on the home inspector profession for taxable years beginning on or after July 1, 2009.

The bill gives a home inspector that is required to obtain a state privilege license on July 1, 2008, for the tax year beginning on July 1, 2008, until October 1, 2008, to submit a license application and pay the tax.

ASSUMPTIONS AND METHODOLOGY:

House Bill 2558 would add licensed home inspectors to the list professions that would need to obtain a statewide license for the privilege of practicing a business. According to G.S. 105-41(a), this license is \$50 per person. There are currently 1,570 home inspectors in the state of North Carolina. Therefore, this license would generate \$78,500 in revenue for FY 2008-09. This number was then grown using NC construction industry employment projections from Moody's Economy.com.

G.S. 105-41(h) states that counties and municipalities may not levy any license tax on businesses or professions listed under G.S. 105-41(a). There is no estimate available for the loss in county and municipal revenues, as they are able to set their own tax schedules for privilege licenses.

SOURCES OF DATA: North Carolina Department of Insurance, Moody's Economy.com

TECHNICAL CONSIDERATIONS: None

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