

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE DRH30176-ME-35 (2/19)

Short Title: Sales Tax Fairness Act.

(Public)

Sponsors: Representative Wilkins.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FOR THE FAIR TREATMENT OF GOVERNMENTAL ENTITIES  
3 BY REENACTING THE SALES AND USE TAX REFUND FOR LOCAL SCHOOL  
4 ADMINISTRATIVE UNITS AND FOR SCHOOL FOOD SERVICE AGENCIES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-164.14(c)(2b) and (2c), repealed by Section 7.51(a) of S.L.  
7 2005-276, are reenacted.

8 **SECTION 2.** G.S. 105-164.44H is repealed.

9 **SECTION 3.** G.S. 105-467(b) reads as rewritten:

10 "§ 105-467. Scope of sales tax.

11 ...  
12 (b) Exemptions and Refunds. – The State exemptions and exclusions contained in  
13 G.S. 105-164.13, the State sales and use tax holidays contained in G.S. 105-164.13C and  
14 G.S. 105-164.13D, and the State refund provisions contained in G.S. 105-164.14 apply to the  
15 local sales and use tax authorized to be levied and imposed under this Article. ~~Except as~~  
16 ~~provided in this subsection, a~~ A taxing county may not allow an exemption, exclusion, or  
17 refund that is not allowed under the State sales and use tax. ~~A local school administrative unit~~  
18 ~~and a joint agency created by interlocal agreement among local school administrative units~~  
19 ~~pursuant to G.S. 160A-462 to jointly purchase food service related materials, supplies, and~~  
20 ~~equipment on their behalf is allowed an annual refund of sales and use taxes paid by it under~~  
21 ~~this Article on direct purchases of tangible personal property and services, other than~~  
22 ~~electricity, telecommunications service, and ancillary service. Sales and use tax liability~~  
23 ~~indirectly incurred by the entity on building materials, supplies, fixtures, and equipment that~~  
24 ~~become a part of or annexed to any building or structure that is owned or leased by the entity~~  
25 ~~and is being erected, altered, or repaired for use by the entity is considered a sales or use tax~~  
26 ~~liability incurred on direct purchases by the entity for the purpose of this subsection. A request~~  
27 ~~for a refund shall be in writing and shall include any information and documentation required~~  
28 ~~by the Secretary. A request for a refund is due within six months after the end of the entity's~~  
29 ~~fiscal year. Refunds applied for more than three years after the due date are barred."~~

30 **SECTION 4.** This act becomes effective July 1, 2009, and applies to purchases  
31 made on or after that date.

