GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

Legislative Fiscal Note

BILL NUMBER: House Bill 1224 (Fourth Edition)

SHORT TITLE: Local Sales Tax Options/Econ. Dept. Changes.

SPONSOR(S): Representative Presnell

FISCAL IMPACT					
		(\$ in mil	lions)		
	✓ Yes	□ No Estimate Available			
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
State Impact					
General Fund Revenues:					
General Fund Expenditures:		See A	ssumptions and Meth	nodlogy	
NET STATE IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	<u>, </u>		<u> </u>		
Local Impact					
Revenues:		See Assumptions and Methodlogy			
NET LOCAL IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	<u>, </u>		<u> </u>	<u>'</u>	
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
Commerce, North Carolina Department of Revenue					
EFFECTIVE DATE: July 1, 2014					
TECHNICAL CONSIDERATIONS:					
None					
1 10110					

BILL SUMMARY:

Part I of the PCS enacts Article 43A, the County Sales and Use Tax for Education. The PCS also modifies two local sales tax options, Article 46 and Article 43. Part II of the PCS would expand the eligibility criteria for the Job Maintenance and Capital Development Fund. Part III of the PCS would create the Job Catalyst Fund inside the Department of Commerce. Part IV would provide an additional \$14M to the JDIG cap for the 2013-2015 biennium.

ASSUMPTIONS AND METHODOLOGY:

PART I LOCAL OPTION SALES TAX FOR EDUCATION

HB 1224 creates Article 43A. Article 43A grants counties the authority to levy an additional sales tax designated for education. The bill also limits the maximum local sales tax rate to 2.5% in all but two counties, Durham County and Orange County, where the local rate is currently 2.75%. Table 1 below highlights the fiscal impact of enacting Article 43A or Article 43 at the maximum possible rate during the 2015-16 fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

Legislative Fiscal Note

Table 1. Maximum Sales and Use Tax Levy and Additional Revenue under Article 43 or Article 43A, by County, Fiscal Year 2015-16

County Current Rate Article 43A 2.55% Article 43A 2.50% Alamance 2% \$9,471,497 Alexander 2.25% \$429,327 Alleghany 2% \$332,160 Anson 2% \$633,702 Ashe 2% \$1,028,718 Avery 2% \$1,023,458 Beaufort 2% \$395,156 Brie 2% \$395,156 Bladen 2% \$6,425,215 Burcombe 2.25% \$10,337,325 Burcombe 2.25% \$10,337,325 Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Caldwell 2% \$2,660,782 Camden 2% \$2,239,828 Carderet 2% \$2,2660,782 Camden 2% \$2,239,828 Caswell 2% \$2,239,828 Cheroke 2% \$4,8859,546 Cherokee 2%	Fiscal Year 2015-16				
Alexander 2.25% \$429,327 Alleghany 2% \$332,160 Anson 2% \$633,702 Ashe 2% \$1,028,718 Avery 2% \$1,023,458 Beaufort 2% \$395,156 Bertie 2% \$1,031,719 Brunswick 2% \$1,031,719 Brunswick 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Caldwell 2% \$2,660,782 Camden 2% \$2,83,508 Cardreret 2% \$2,89,751 Caswell 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$325,302 Cleveland 2% \$325,302 Cleveland 2% \$32,239,828 Craven 2% \$4,032,516 <	County			Article 43A 2.50%	
Alexander 2.25% \$429,327 Alleghany 2% \$633,702 Ashe 2% \$1,028,718 Avery 2% \$1,023,458 Beaufort 2% \$2,154,416 Bertie 2% \$395,156 Bladen 2% \$1,031,719 Brunswick 2% \$6,425,215 Buncombe 2.25% \$10,337,325 Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Camden 2% \$2,83,508 Carteret 2% \$2,83,508 Carteret 2% \$2,239,828 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$325,302 Cleveland 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$1,884,654	Alamance	2%		\$9,471,497	
Anson 2% \$633,702 Ashe 2% \$1,028,718 Avery 2% \$1,023,458 Beaufort 2% \$2,154,416 Bertie 2% \$395,156 Bladen 2% \$1,031,719 Brunswick 2% \$6,425,215 Buncombe 2.25% \$10,337,325 Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Canden 2% \$2,835,08 Carteret 2% \$2,897,51 Catawba 2.25% \$4,930,009 Chatawba 2.25% \$4,930,009 Cherokee 2% \$2,239,828 Cherokee 2% \$2,240,04 </td <td>Alexander</td> <td>2.25%</td> <td>\$429,327</td> <td>. , , ,</td>	Alexander	2.25%	\$429,327	. , , ,	
Anson 2% \$633,702 Ashe 2% \$1,028,718 Avery 2% \$1,023,458 Beaufort 2% \$2,154,416 Bertie 2% \$395,156 Bladen 2% \$1,031,719 Brunswick 2% \$6,425,215 Buncombe 2.25% \$10,337,325 Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Canden 2% \$2,835,08 Carteret 2% \$2,897,51 Catawba 2.25% \$4,930,009 Chatawba 2.25% \$4,930,009 Cherokee 2% \$2,239,828 Cherokee 2% \$2,240,04 </td <td>Alleghany</td> <td>2%</td> <td></td> <td>\$332,160</td>	Alleghany	2%		\$332,160	
Ashe 2% \$1,028,718 Avery 2% \$1,023,458 Beaufort 2% \$2,154,416 Bertie 2% \$395,156 Bladen 2% \$6,425,215 Brunswick 2% \$3,012,717 Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Camden 2% \$2,660,782 Camden 2% \$2,660,782 Camden 2% \$2,660,782 Camden 2% \$2,239,828 Carderet 2% \$2,239,828 Carteret 2% \$2,239,828 Caswell 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$325,302 Cleveland 2% \$325,302 Cleveland 2% \$4,884,160 Cumberland 2.2% \$1,884,654 Craven 2% \$6,758,031		2%			
Avery 2% \$1,023,458 Beaufort 2% \$2,154,416 Bertie 2% \$395,156 Bladen 2% \$1,031,719 Brunswick 2% \$6,425,215 Burcombe 2.25% \$10,337,325 Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Camden 2% \$2,283,508 Carteret 2% \$2,239,828 Caswell 2% \$2239,828 Cheroke 2% \$2,239,828 Cheroke 2% \$1,224,004 Chowan 2% \$325,302 Cleveland 2% \$325,302 Cleveland 2% \$4,884,160 Currituck 2% \$2,244,787 <t< td=""><td>Ashe</td><td>2%</td><td></td><td></td></t<>	Ashe	2%			
Beaufort 2% \$2,154,416 Bertie 2% \$395,156 Bladen 2% \$1,031,719 Brunswick 2% \$6,425,215 Buncombe 2.25% \$10,337,325 Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$283,508 Cardered 2% \$283,508 Carteret 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$2,239,828 Cherokee 2% \$1,884,654 Craven 2% \$4,884,160	Avery	2%			
Bladen 2% \$1,031,719 Brunswick 2% \$6,425,215 Buncombe 2.25% \$10,337,325 Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Cardwell 2% \$2,660,782 Camden 2% \$283,508 Carrete 2% \$4,859,546 Caswell 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$325,302 Cleveland 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$2,542,035 Davie 2% \$2,542,035 Davie 2% \$2,542,035	Beaufort	2%		\$2,154,416	
Brunswick 2% \$6,425,215 Buncombe 2.25% \$10,337,325 Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Camden 2% \$283,508 Carteret 2% \$4,859,546 Caswell 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$325,302 Cleveland 2% \$4,032,516 Clay 2% \$4,384,160 Cumbus 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$2,542,035 Davie 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$23,292,486 <tr< td=""><td>Bertie</td><td>2%</td><td></td><td>\$395,156</td></tr<>	Bertie	2%		\$395,156	
Buncombe 2.25% \$10,337,325 Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Camden 2% \$283,508 Carteret 2% \$4,859,546 Caswell 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$553,044 Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$6,758,031 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$932,486	Bladen	2%		\$1,031,719	
Burke 2% \$3,012,717 Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Camden 2% \$283,508 Carteret 2% \$4,859,546 Caswell 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$553,044 Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$4,884,160 Cumberland 2.2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$2,542,035 Davie 2% \$1,463,108 Durham 2.75% \$932,806 Durham 2.75% \$932,806 Franklin 2% \$2,542,035	Brunswick	2%		\$6,425,215	
Cabarrus 2.25% \$6,950,468 Caldwell 2% \$2,660,782 Camden 2% \$283,508 Carteret 2% \$4,859,546 Caswell 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$553,044 Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$4,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$2,542,035 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$841,171 Forsyth 2% \$2,542,035	Buncombe	2.25%	\$10,337,325		
Caldwell 2% \$2,660,782 Camden 2% \$283,508 Carteret 2% \$4,859,546 Caswell 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$4,032,516 Columbus 2% \$4,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$6,758,031 Davidson 2% \$6,758,031 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$2,542,035 Edgecombe 2.25% \$841,171 Forsyth 2% \$2,3292,486 Franklin 2% \$1,562,140 Gaston 2% \$1,562,140	Burke	2%		\$3,012,717	
Camden 2% \$283,508 Carteret 2% \$4,859,546 Caswell 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$553,044 Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$4,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$6,758,031 Davidson 2% \$6,758,031 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$2,542,035 Edgecombe 2.25% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$1,502,400	Cabarrus	2.25%	\$6,950,468		
Carteret 2% \$4,859,546 Caswell 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$553,044 Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$1,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$6,758,031 Davie 2% \$6,758,031 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$932,806 Franklin 2% \$1,463,108 Frosyth 2% \$9,030,729 Gates 2% \$1,562,140 Gaston 2% \$1,517,25 <	Caldwell	2%		\$2,660,782	
Caswell 2% \$289,751 Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$553,044 Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$1,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$6,758,031 Davie 2% \$6,758,031 Davie 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$932,806 Franklin 2% \$23,292,486 Franklin 2% \$9,030,729 Gates 2% \$1,562,140 Graham 2% \$294,500	Camden	2%		\$283,508	
Catawba 2.25% \$4,930,009 Chatham 2% \$2,239,828 Cherokee 2% \$1,224,004 Chowan 2% \$553,044 Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$1,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$2,542,035 Davie 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$1,459,005 Greene 2.25% \$1,459,005 <t< td=""><td>Carteret</td><td>2%</td><td></td><td>\$4,859,546</td></t<>	Carteret	2%		\$4,859,546	
Chatham 2% \$1,224,004 Cherokee 2% \$1,224,004 Chowan 2% \$553,044 Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$1,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$6,758,031 Dare 2% \$6,758,031 Davie 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Greene 2.25% \$1,459,005 Greene 2.25% \$1,52,379 G	Caswell	2%		\$289,751	
Cherokee 2% \$1,224,004 Chowan 2% \$553,044 Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$1,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$6,758,031 Dare 2% \$6,758,031 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$23,292,486 Forsyth 2% \$23,292,486 Franklin 2% \$23,292,486 Franklin 2% \$9,030,729 Gates 2% \$9,030,729 Gates 2% \$1,562,140 Graham 2% \$294,500 Granville 2% \$294,500 Greene 2.25% \$1,52,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,529,411	Catawba	2.25%	\$4,930,009		
Chowan 2% \$553,044 Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$1,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$23,292,486 Franklin 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$1,52,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,629,411 Haywood 2.25% \$1,595,227	Chatham	2%		\$2,239,828	
Clay 2% \$325,302 Cleveland 2% \$4,032,516 Columbus 2% \$1,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$23,292,486 Forsyth 2% \$23,292,486 Franklin 2% \$9,030,729 Gates 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$1,52,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Cherokee	2%		\$1,224,004	
Cleveland 2% \$4,032,516 Columbus 2% \$1,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$932,806 Durham 2.75% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Chowan	2%		\$553,044	
Columbus 2% \$1,884,654 Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$2,542,035 Edgecombe 2.25% \$932,806 Durham 2.75% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673		2%		\$325,302	
Craven 2% \$4,884,160 Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$23,292,486 Forsyth 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$1,152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673		2%		\$4,032,516	
Cumberland 2.25% \$10,130,063 Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$1,463,108 Davie 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$23,292,486 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$1,52,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,595,227 Henderson 2% \$5,012,673	Columbus	2%		\$1,884,654	
Currituck 2% \$2,244,787 Dare 2% \$6,758,031 Davidson 2% \$2,542,035 Davie 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$23,292,486 Edgecombe 2.25% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Craven	2%		\$4,884,160	
Dare 2% \$6,758,031 Davidson 2% \$2,542,035 Davie 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$23,292,486 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Cumberland	2.25%	\$10,130,063		
Davidson 2% \$2,542,035 Davie 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$1,52,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Currituck	2%		\$2,244,787	
Davidson 2% \$2,542,035 Davie 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Dare	2%		\$6,758,031	
Davie 2% \$1,463,108 Duplin 2.25% \$932,806 Durham 2.75% \$841,171 Edgecombe 2.25% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Davidson	2%	\$2,542,035		
Duplin 2.25% \$932,806 Durham 2.75% Edgecombe 2.25% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Davie	2%	, , ,	\$1,463,108	
Durham 2.75% Edgecombe 2.25% \$841,171 Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Duplin	2.25%	\$932,806	1 ,,	
Forsyth 2% \$23,292,486 Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673		2.75%	, ,		
Franklin 2% \$1,562,140 Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Edgecombe		\$841,171		
Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Forsyth	2%	-	\$23,292,486	
Gaston 2% \$9,030,729 Gates 2% \$151,725 Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Franklin	2%			
Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Gaston	2%			
Graham 2% \$294,500 Granville 2% \$1,459,005 Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Gates	2%		\$151,725	
Greene 2.25% \$152,379 Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Graham	2%			
Guilford 2% \$31,996,220 Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Granville	2%		\$1,459,005	
Halifax 2.25% \$1,154,351 Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Greene	2.25%	\$152,379		
Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Guilford	2%		\$31,996,220	
Harnett 2.25% \$1,629,411 Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Halifax	2.25%	\$1,154,351		
Haywood 2.25% \$1,595,227 Henderson 2% \$5,012,673	Harnett	2.25%			
Henderson 2% \$5,012,673	Haywood	2.25%			
	Henderson	2%		\$5,012,673	
	Hertford	2.25%	\$549,388		

Table 1. Maximum Sales and Use Tax Levy and Additional Revenue under Article 43 or Article 43A, by County, Fiscal Year 2015-16

County	Current Rate	Article 43A 2.25%	Article 43A 2.50%
Hoke	2%		\$929,305
Hyde	2%		\$288,347
Iredell	2%		\$9,590,186
Jackson	2%		\$1,929,605
Johnston	2%		\$7,188,541
Jones	2%		\$162,871
Lee	2.25%	\$1,649,370	
Lenoir	2%		\$2,697,362
Lincoln	2%		\$2,710,617
Macon	2%		\$2,162,931
Madison	2%		\$443,247
Martin	2.25%	\$521,013	
McDowell	2%	, , , , , , ,	\$1,543,880
Mecklenburg	2.5%		, , ,
Mitchell	2%		\$694,646
Montgomery	2.25%	\$380,395	+ + + + + + + + + + + + + + + + + + + +
Moore	2%	4000,000	\$5,400,349
Nash	2%		\$4,947,940
New Hanover	2.25%	\$9,236,387	Ψ.,>.,,>.ο
Northampton	2%	ψ>,200,007	\$447,420
Onslow	2.25%	\$5,333,338	Ψ,.20
Orange	2.75%	ψυ,υυυ,υυ	
Pamlico	2%		\$368,465
Pasquotank	2%		\$2,445,676
Pender	2%		\$1,672,609
Perquimans	2%		\$263,781
Person	2%		\$1,443,933
Pitt	2.25%	\$5,243,318	+-,,.
Polk	2%	70,210,020	\$475,672
Randolph	2.25%	\$2,448,354	\$.70 , 07 2
Richmond	2%	Ψ2, , ε ε .	\$1,678,680
Robeson	2.25%	\$2,391,361	+-,0.0,000
Rockingham	2%	Ψ2,091,001	\$3,150,575
Rowan	2.25%	\$2,677,499	40,100,070
Rutherford	2%	Ψ2,077,199	\$2,547,320
Sampson	2.25%	\$1,047,991	Ψ2,3 17,320
Scotland	2%	¥2,017,221	\$1,303,301
Stanly	2%		\$2,500,923
Stokes	2%		\$928,184
Surry	2.25%	\$2,066,687	Ψ>20,101
Swain	2%	+= ,000,007	\$512,488
Transylvania	2%		\$1,411,774
Tyrrell	2%		\$102,991
Union	2%		\$7,523,025
Vance	2%		\$1,969,027
Wake	2%		\$64,974,739
11 arc	2/0		φυ+,274,739

Table 1. Maximum Sales and Use Tax Levy and Additional Revenue under Article 43 or Article 43A, by County, Fiscal Year 2015-16				
County	Current Rate	Article 43A 2.25%	Article 43A 2.50%	
Warren	2%		\$383,470	
Washington	2%		\$394,006	
Watauga	2%		\$3,609,571	
Wayne	2%		\$5,542,204	
Wilkes	2.25%	\$1,358,424		

Table 1. Maximum Sales and Use Tax Levy and Additional Revenue under Article 43 or Article 43A, by County, Fiscal Year 2015-16			
County	Current Rate	Article 43A 2.25%	Article 43A 2.50%
Wilson	2%		\$4,543,748
Yadkin	2%		\$935,074
Yancey	2%		\$567,507

PART II JMAC MODIFICATIONS

While the PCS to House Bill 1224 broadens eligibility for the JMAC program and increases total award capacity to \$79 million, the legislation does not expressly require this capacity to be used.

However, Commerce has relayed to the Fiscal Research Division that the impetus for JMAC program expansion is the retention of Evergreen Packaging in Haywood County. If the PCS is enacted, Commerce plans to award the company a JMAC in FY 2014-15 and structure the contract for the company to receive a total of \$12 million over six fiscal years, with payments of \$2 million annually (FY 2015-16 through FY 2020-21). Committing this award would absorb the remaining available \$12 million JMAC award capacity (\$79 million permissible award capacity proposed in the PCS less \$67 million utilized liability to-date for awards to Bridgestone, Goodyear and Domtar).

Existing JMAC statutes limit a grant period to up to 10 years and restrict the annual cost of any one award to no more than \$6 million. Regardless of whether Commerce's plans for Evergreen Packaging become reality, if the PCS is enacted, then JMAC will have \$12 million worth of unutilized award capacity. If fully utilized, cost implications range between \$1.2 million a year for 10 years and \$6 million a year for two years, which would require future General Fund appropriations.

PART III JOB CATALYST FUND

This section of the bill establishes the Fund, but has no fiscal impact since the PCS does not provide the Fund with 1) an appropriation or 2) a threshold under which awards are authorized to be committed.¹

PART IV JDIG MODIFICATIONS

This section of the bill increases the 2013-15 fiscal biennium award capacity for the Job Development Investment Grant program by \$14 million. Given that grant terms can be up to 12 years, the PCS generates an additional maximum liability for the program of \$168 million (actual payments are based on company performance).

PART V CROWD FUNDING

This section of the bill levies a fee of \$150 on the issuer of the securities to be paid to the Secretary of State's office. The funds collected shall remain in a non-reverting account and the Secretary of State shall use the funds to pay for the costs of enforcing this section. Fiscal Research does not have an estimate on the number of businesses that will utilize the crowd funding exemption and thus cannot estimate the additional revenue generated by this section.

¹ Other economic development grant programs are permitted a certain award capacity threshold under which to make grant commitments; examples include the Job Development Investment Grant program, One North Carolina Fund, and JMAC. House Bill 1224 (Fourth Edition)

SOURCES OF DATA: Commerce; North Carolina Department of Revenue

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Sandra Johnson, Aubrey Incorvaia & Daniel Sater

APPROVED BY:

Mark Trogdon, Director **Fiscal Research Division**

DATE: July 29, 2014



Signed Copy Located in the NCGA Principal Clerk's Offices