

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 299

Short Title: Reinstatement LEA Sales Tax Refund. (Public)

Sponsors: Representatives Holloway, Blackwood, Blust, Folwell (Primary Sponsors);
Allred, Dockham, Hilton, Hurley, Justice, Justus, McGee, Moore, Neumann,
Randleman, Samuelson, Setzer, and Starnes.

Referred to: Education, if favorable, Finance, if favorable, Appropriations.

February 26, 2009

A BILL TO BE ENTITLED

AN ACT TO REINSTATE THE SALES AND USE TAX REFUND FOR LOCAL SCHOOL
ADMINISTRATIVE UNITS.

The General Assembly of North Carolina enacts:

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 G.S. 105-164.14(c)(2b) and (2c), repealed by Section 7.51(a) of S.L.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

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 G.S. 105-164.44H is repealed.

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

"§ 105-467. **Scope of sales tax.**

...

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

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

