

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 312*

Short Title: LEA Sales Tax Refund. (Public)

Sponsors: Senators Swindell; Atwater, Bingham, Davis, Dorsett, Forrester, Goss, Graham, Hoyle, Hunt, Jacumin, Jones, McKissick, Stevens, Tillman, and Vaughan.

Referred to: Appropriations/Base Budget.

February 26, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO REENACT THE SALES AND USE TAX REFUND FOR LOCAL SCHOOL
3 ADMINISTRATIVE UNITS SO AS TO OPTIMIZE SCHOOL CONSTRUCTION
4 FUNDING, AS RECOMMENDED BY THE JOINT LEGISLATIVE EDUCATION
5 OVERSIGHT COMMITTEE.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 105-164.14(c)(2b) and (2c) are reenacted.

8 **SECTION 2.** G.S. 105-467(b) reads as rewritten:

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

27 **SECTION 3.** G.S. 105-164.44H is repealed.

28 **SECTION 4.** Sections 1 and 2 of this act become effective July 1, 2009, and apply
29 to purchases made on or after that date. Section 3 of this act becomes effective July 1, 2010.

