

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 123

Short Title: Eliminate Food Tax.

(Public)

Sponsors: Representatives Decker; Starnes, Wood, and Capps.

Referred to: Finance.

February 12, 1997

A BILL TO BE ENTITLED

AN ACT TO ELIMINATE THE STATE SALES TAX ON FOOD.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.4(a)(5) reads as rewritten:

"(5) ~~The rate of three percent (3%) applies following rates apply~~ to the sales price of food that is not otherwise exempt pursuant to G.S. 105-164.13 but would be exempt pursuant to G.S. 105-164.13 if it were purchased with coupons issued under the Food Stamp Program, 7 U.S.C. § ~~51-51~~:

Effective Dates

Rate

January 1, 1998, through December 31, 1998 – two percent (2%)

January 1, 1999, through December 31, 1999 – one percent (1%)."

Section 2. Effective January 1, 2000, G.S. 105-164.4(a)(5) is repealed.

Section 3. Effective January 1, 2000, Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-164.13B. Food exempt from tax.

The taxes imposed by this Article do not apply to food that is not otherwise exempt pursuant to G.S. 105-164.13 but would be exempt pursuant to G.S. 105-164.13 if it were purchased with coupons issued under the Food Stamp Program, 7 U.S.C. § 51."

1 Section 4. Sections 2 and 3 of this act become effective January 1, 2000, and
2 apply to sales made on or after that date. The remainder of this act becomes effective
3 January 1, 1998, and applies to sales made on or after that date.