

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 527

Short Title: Schools Sales Tax Exemption.

(Public)

Sponsors: Senators Kerr; and Hoyle.

Referred to: Finance.

March 19, 2001

A BILL TO BE ENTITLED

AN ACT TO ALLOW FOR A SALES AND USE TAX EXEMPTION FOR CERTAIN
PURCHASES MADE BY A LOCAL SCHOOL ADMINISTRATIVE UNIT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.13 is amended by adding a new subdivision to read:

"(47) Items subject to sales and use tax under G.S. 105-164.4, other than items taxed under G.S. 105-164.4(a)(1f), 105-164.4(4a), and 105-164.4(a)(4c), if all of the following conditions are met:

a. The items are purchased by a local school administrative unit.

b. The items purchased are paid for by a check, credit card, procurement card, or credit account of the local school administrative unit.

c. The items are purchased pursuant to a signed purchase order of the local school administrative unit that contains the exemption number of the local school administrative unit and a description of the property purchased."

SECTION 2. Part 5 of Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:

§ 105-164.29A. Local government exemption process.

(a) Application. – To be eligible for the exemption provided in G.S. 105-164.13(47), a local school administrative unit must obtain from the Department of Revenue a sales tax exemption number. The application for exemption must be in the form required by the Secretary, be signed by the local school administrative unit's finance officer, and contain any information required by the Secretary. The Secretary must assign a sales tax exemption number to a local school administrative unit that submits a proper application.

1 (c) Liability. – A local school administrative unit that does not use the items
2 purchased with its exemption number must pay the tax that should have been paid on
3 the items purchased, plus interest calculated from the date the tax would otherwise have
4 been paid."

5 **SECTION 3.** This act becomes effective July 1, 2002, and applies to taxes
6 paid on or after that date.