

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 947

Short Title: Mooresville Local Option Sales Tax. (Local)

Sponsors: Representative Fraley.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State and Local Government II, if favorable, Finance

May 17, 2018

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE LEVY OF A MUNICIPAL ONE-QUARTER PERCENT
3 SALES AND USE TAX.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Subchapter VIII of Chapter 105 of the General Statutes is amended by
6 adding a new Article to read:

7 "Article 47.

8 "First One-Quarter Cent (1/4¢) Municipal Sales and Use Tax.

9 **"§ 105-540. Short title.**

10 This Article is the First One-Quarter Cent (1/4¢) Municipal Sales and Use Tax Act.

11 **"§ 105-541. Definitions.**

12 The following definitions apply in this Article:

13 (1) Net proceeds. – Defined in G.S. 105-472.

14 (2) Street improvement. – Grading, surfacing, widening, or paving a street;
15 acquiring one or more rights-of-way for a street; and constructing a sidewalk,
16 curb, or gutter.

17 **"§ 105-542. Levy.**

18 (a) Authority. – If the majority of those voting in a referendum held pursuant to this
19 Article vote for the levy of the tax, the governing body of the municipality may, by resolution
20 and after 10 days' public notice, levy a local sales and use tax at a rate of one-quarter percent
21 (1/4%) in addition to any other State and local sales and use taxes levied pursuant to law.

22 (b) Vote. – The governing body of the municipality may direct the county board of
23 elections to conduct an advisory referendum on the question of whether to levy a local sales and
24 use tax in the municipality as provided in this Article. The election shall be held on a date jointly
25 agreed upon by the governing body of the municipality and the county board of elections and
26 shall be held in accordance with the procedures of G.S. 163-287.

27 (c) Ballot Question. – The form of the question to be presented on a ballot for a special
28 election concerning the levy of the tax authorized by this Article shall be:

29 [] FOR [] AGAINST

30 Local sales and use tax at the rate of one-quarter percent (1/4%) in addition to all other State
31 and local sales and use taxes for the purposes of street improvement."

32 **"§ 105-543. Administration.**

33 Except as provided in this Article, the adoption, levy, collection, administration, and repeal
34 of the additional taxes authorized by this Article shall be in accordance with Article 39 of this
35 Chapter. References to "county," "counties," or "board of county commissioners" within Article



1 39 of this Chapter shall be interpreted as referring to "municipality," "municipalities," or
2 "governing body of the municipality," respectively, for purposes of the tax authorized by this
3 Article. G.S. 105-468.1 is an administrative provision that applies to this Article. A tax levied
4 under this Article does not apply to the sales price of food that is exempt from tax pursuant to
5 G.S. 105-164.13B or to the sales price of a bundled transaction taxable pursuant to
6 G.S. 105-467(a)(5a).

7 **"§ 105-544. Distribution and use.**

8 (a) Distribution. – The Secretary shall, on a monthly basis, distribute to each taxing
9 municipality for which the Secretary collects the tax the net proceeds of the tax collected in that
10 municipality under this Article. If the Secretary collects local sales or use taxes in a month and
11 the taxes cannot be identified as being attributable to a particular taxing municipality, the
12 Secretary shall allocate the taxes among the taxing municipalities in proportion to the amount of
13 taxes collected in each municipality under this Article during that month and shall include them
14 in the monthly distribution. Amounts collected by electronic funds transfer payments are
15 included in the distribution for the month in which the return that applies to the payment is
16 received.

17 (b) Use. – A municipality may use the net proceeds of a tax levied under this Article for
18 street improvement."

19 **SECTION 2.** This act applies to the Town of Mooresville only.

20 **SECTION 3.** This act is effective when it becomes law.