

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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SENATE BILL DRS45141-MCf-121

Short Title: City-Piped Gas Excise Tax Share Modification.

(Public)

Sponsors: Senator Sanderson (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FOR A MORE EQUITABLE DISTRIBUTION OF SALES TAX  
3 PROCEEDS FROM THE SALE AND USE OF PIPED NATURAL GAS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-164.44L(b) reads as rewritten:

6 "(b) Excise Tax Share. – ~~The~~ Except as provided in this subsection, the quarterly excise  
7 tax share of a city is the amount of piped natural gas excise tax distributed to the city under  
8 repealed G.S. 105-187.44 for the same related quarter that was the last quarter in which taxes  
9 were imposed on piped natural gas under repealed Article 5E of this Chapter. The determination  
10 made by the Department with respect to a city's excise tax share is final and is not subject to  
11 administrative or judicial review.

12 The quarterly excise tax share of a low-use city shall be calculated in accordance with this  
13 paragraph. A low-use city is a city that had less than one thousand dollars (\$1,000) in quarterly  
14 pipled natural gas excise tax distributed to the city under repealed G.S. 105-187.44 in the last  
15 quarter in which taxes were imposed on piped natural gas under repealed Article 5E of this  
16 Chapter. The quarterly excise tax share of a low-use city is equal to what the city's excise tax  
17 share would have been under repealed G.S. 105-187.44 using the city's first same related quarter  
18 of usage data beginning with January 1, 2020. Each low-use city's excise tax share shall be  
19 recalculated pursuant to this paragraph each year for three successive years, and the average  
20 quarterly excise tax share at the conclusion of the third year will be the share in all subsequent  
21 quarters with no further recalculation.

22 The excise tax share of a city that has dissolved, merged with another city, or divided into  
23 two or more cities since it received a distribution under repealed G.S. 105-187.44 is adjusted as  
24 follows:

- 25 (1) If a city dissolves and is no longer incorporated, the excise tax share of the  
26 city is added to the amount distributed under subsection (c) of this section.  
27 (2) If two or more cities merge or otherwise consolidate, their excise tax shares  
28 are combined.  
29 (3) If a city divides into two or more cities, the excise tax share of the city that  
30 divides is allocated among the new cities in proportion to the total amount of  
31 ad valorem taxes levied by each on property having a tax situs in the city."

32 **SECTION 2.** This act becomes effective January 1, 2020, and applies to distributions  
33 made on or after that date.



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