

The Daily Bulletin: Monday, August 18, 2014

PUBLIC/HOUSE BILLS

H 189 (2013-2014) **VARIOUS TAX LAW AND FILM GRANT CHANGES**. Filed Feb 28 2013, *A BILL TO BE ENTITLED AN ACT TO ALLOW DURHAM, ORANGE, FORSYTH, GUILFORD, MECKLENBURG, AND WAKE COUNTIES TO RETAIN A LOCAL SALES AND USE TAX CAP OF TWO AND THREE-QUARTERS PERCENT IF A MAJORITY OF VOTERS IN THOSE COUNTIES APPROVE THE LEVY OF A ONE-QUARTER PERCENT TAX IN A REFERENDUM HELD BY THE END OF 2016; TO EXPAND THE MAXIMUM GRANT ALLOWED FOR A TELEVISION OR VIDEO SERIES; TO CLARIFY THAT A FARMER'S INCOME FROM FARMING OPERATIONS FOR THE PURPOSE OF THE SALES AND USE TAX EXEMPTION IS GROSS SALES AND ALL OTHER INCOME FROM FARMING OPERATIONS; AND TO MAKE OTHER TECHNICAL CHANGES TO THE REVENUE LAWS*

New conference report makes the following changes to the 4th edition:

Changes the short and long titles.

Deletes all of the provisions of the previous edition in their entirety.

Provides that if H 1224 becomes law, then GS 105-506.4(b)(3), as enacted by H 1224, will amend the conditions for permitting the specified county's sales and use tax rate to exceed 2 1/2 percent, providing that the county must have conducted one or more advisory referendums on or before December 31, 2016 (was, December 31, 2014), in which a majority of the voters approved the levy of a local sales and use tax rate of 1/4 percent under Article 46 of GS Chapter 105.

Provides that if H 1224 becomes law, then GS 105-537(e)(2), as enacted by H 1224, will amend the conditions for permitting the specified county's sales and use tax rate to exceed 2 1/2 percent, providing that the county must have conducted one or more advisory referendums on or before December 31, 2016 (was, December 31, 2014), in which a majority of the voters approved the levy of a local sales and use tax rate of 1/4 percent under Article 46 of GS Chapter 105.

Makes a clarifying change to GS 143B-437.02A(a)(2), concerning the Film and Entertainment Grant Fund (Fund), providing that the grants awarded from the Fund cannot exceed \$5 million for a single episode of a television or video series (previously, could not exceed \$5 million for a television or video series). Effective January 1, 2015.

Amends GS 105-164.13E, Exemption for Farmers, adding clarifying language that provides that for the purpose of this section, the term "income from farming operations" is to be considered to mean sales plus any other amounts treated as gross income under the Tax Code from farming operations. Provides that a qualifying farmer is a person with an annual income from farming operations for the preceding taxable year of \$10,000 or more or who has an average annual income from farming operations for the three preceding taxable years of \$10,000 or more.

Amends GS 105-153.4, concerning NC taxable income, making technical corrections to statutory references. Clarifies apportioning of partnership income to multiple states. Makes other clarifying changes. Effective on or after January 1, 2014.

Amends GS 105-153.5, adding a provision that requires S Corporations subject to Part 1A, partnerships, and estates and trusts subject to Part 3 to add back state income tax deducted from federal income for state income tax purposes. Effective on or after January 1, 2014.

Deletes language in GS 105-164.13(62) that excluded the tax exemption from applying to an item used to maintain or

repair tangible personal property pursuant to a service contract exempt from tax under GS 105-164.4I(b). Amends GS 105-187.52(c), exemptions, clarifying that the tax exemption in GS 105-164.13(62) does apply to an item used to maintain tangible personal property under a service contract exempt from tax under GS 105-164.4I(b)(4). Effective October 1, 2014.

Also provides that the exemption found in GS 105-164.13(62) does apply to an item used pursuant to a service contract that meets the definition of a service contract as defined in GS 105-164.3(38b) that was sold before January 1, 2014, but effective on or after January 1, 2014.

Amends Section 4.1(g) of SL 2014-3 to provide that this Part applies to gross receipts derived from a prepaid meal plan sold or billed before July 1, 2014, if the plan is not authorized for use or available to the person until on or after August 1, 2014.

Intro. by Glazier, Stevens, L. Hall.

Durham, Forsyth, Guilford, Mecklenburg, Orange, Wake, GS 105, GS 143B

[View summary](#)

Government, Tax

ACTIONS ON BILLS

PUBLIC BILLS

H 189: [VARIOUS TAX LAW AND FILM GRANT CHANGES.](#)

Senate: Withdrawn From Cal

Senate: Placed On Cal For 08/20/2014

House: Withdrawn From Com

House: Conf Com Dismissed

House: Conferees Reappointed

Senate: Conf Com Withdrawn/dismi

Senate: Conf Rept Withdrawn

Senate: Conferees Reappointed

Senate: Conferees Changed

Senate: Conf Com Reported

Senate: Placed On Cal For 08/20/2014

House: Conf Com Reported

House: Ref To Com On Rules, Calendar, and Operations of the House

House: Reptd Fav For Adoption

House: Cal Pursuant Rule 36(b)

House: Placed On Cal For 08/19/2014

H 1224: [LOCAL SALES TAX OPTIONS/ECON. DEVPT. CHANGES \(NEW\).](#)

House: Reptd Fav For Adoption

House: Cal Pursuant Rule 36(b)

House: Placed On Cal For 08/19/2014

No local actions on bills

