SENATE BILL 399:
Joint Agency Tax Refund

2015-2016 General Assembly

Committee:		**Date:**	
Introduced by:		**Prepared by:**	Trina Griffin
Analysis of:	S.L. 2015-235		Staff Attorney

SUMMARY: S.L. 2015-235 allows a joint agency created by interlocal agreement for the purposes of fire protection, police protection, and emergency services to receive a refund of sales and use taxes paid by it. This provision became effective July 1, 2015, and applies to purchases made on or after that date.

The act also directs the Revenue Laws Study Committee to study how the exemption from the motor fuels tax is applied to entities that are comprised of multiple local government units.

Except as otherwise provided, this act became effective September 1, 2015.

CURRENT LAW: G.S. 105-164.14 authorizes annual refunds of the State sales and use tax to more than 25 listed government entities, including cities and counties. G.S. 105-467 allows a refund of local sales and use tax to the same entities.

BILL ANALYSIS: Section 1 of the act allows an annual refund of the State sales and use tax for joint agencies created by interlocal agreement for the purposes of fire protection, police protection, and emergency services. This creates the same tax preference for sales and use taxes paid by a joint agency created by an interlocal agreement between two or more governmental units that is allowed for the individual units.

Section 2 directs the Revenue Laws Study Committee to study how the exemption from the motor fuels tax is applied to entities that are comprised of multiple local government units. The study may include an examination of how the exemption applies to joint agencies that are created by interlocal agreements, and regional authorities that created by agreement by multiple counties.

EFFECTIVE DATE: The act became effective July 1, 2015, and applies to purchases made on or after that date.

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Heather Fennell, counsel to Senate Finance, substantially contributed to this summary.