



# SENATE BILL 399: Joint Agency Tax Refund

**This Bill Analysis  
reflects the contents  
of the bill as it was  
presented in  
committee.**

2015-2016 General Assembly

**Committee:** House Finance  
**Introduced by:** Sen. Sanderson  
**Analysis of:** Third Edition

**Date:** August 20, 2015  
**Prepared by:** Heather Fennell  
Committee Counsel

**SUMMARY:** *Senate Bill 399 would allow 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.*

**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 Senate Bill 399 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 would be 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 bill becomes effective July 1, 2015, and applies to purchases made on or after that date.

O. Walker Reagan  
Director



Research Division  
(919) 733-2578

\* S 3 9 9 - S M T D - 8 3 E 3 - V 2 \*