



SENATE BILL 566: Disposition of Minimal Property Tax Refunds

2015-2016 General Assembly

Committee:	Senate Re-ref to Finance. If fav, re-ref to State and Local Government	Date:	April 21, 2015
Introduced by:	Sen. Tarte	Prepared by:	Heather Fennell Committee Counsel
Analysis of:	PCS to First Edition S566-CSTD-15		

SUMMARY: *The PCS to Senate Bill 566 would authorize local governments not to mail refunds of overpayment of taxes for overpayments less than \$15.*

CURRENT LAW: G.S. 105-357 authorizes local governments to treat small underpayments and overpayments in the following manner:

- Underpayments of \$1 or less are treated as fully paid.
- Refunds are not required for overpayments of \$1 or less. A taxpayer will receive a refund of less than \$1, if requested before the end of the fiscal year.

G.S. 105-321(f) authorizes local governments to forego the collection of taxes that exceed the cost of collection, provided the amount cost of collection cannot exceed \$5.

BILL ANALYSIS: The PCS to Senate Bill 566 would authorize local governments not to mail refunds of overpayment of taxes for overpayments less than \$15. A refund will be issued for any taxpayer that requests a refund in person before the end of the fiscal year. Any amount not refunded will be applied as a credit against future taxes. Interest will accrue on amounts not refunded at the rate set by the Secretary of Revenue under G.S. 105-241.21. The Secretary sets the interest rate on June 1 and December 1 of each year, and publishes the rates on the Department's website. The interest accrues from later of the date the tax is paid or the date the tax would be delinquent if unpaid.

EFFECTIVE DATE: This act is effective when it becomes law.

O. Walker Reagan
Director



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