



# SENATE BILL 803: Rev Laws Tech. Chg/No Permit for Fiber.

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

2016-2017 General Assembly

<b>Committee:</b>	House Finance	<b>Date:</b>	June 27, 2016
<b>Introduced by:</b>		<b>Prepared by:</b>	Greg Roney
<b>Analysis of:</b>	PCS to Second Edition S803-CSTMx-63		Committee Counsel

**BILL ANALYSIS:**

*The Proposed Committee Substitute (PCS) adds section 6 that amends G.S. 160A-417(a2) to eliminate low voltage building permit requirements for the construction, installation, repair, replacement, or alteration of passive optical networks.*

Section	Bill Analysis	Effective Date
<b>PART I: INCOME TAX CHANGES</b>		
1.1	Deletes a reference to the Interstate Commerce Commission. The Interstate Commerce Commission was abolished in 1995.	When law
1.2	Clarifies that taxpayers remain able to exclude amounts under the insolvency rules after NC decoupled from the extension of the income exclusion for the discharge of qualified principal residence indebtedness in S.L. 2016-6 (S726). A taxpayer that excludes from income cancellation of mortgage debt under federal law using either insolvency rules (NC conforms) or mortgage debt forgiveness rules (NC decoupled) is allowed to exclude the income for NC purposes to the extent a taxpayer qualifies for the insolvency provision under IRC section 108.	When law
<b>PART II: SALES TAX CHANGES</b>		
2.1	Adds the word "also" to clarify that the language added by Section 3.23(a) of S.L. 2016-5 (S729) was not intended to change the current law that exempts sales of aviation gasoline and jet fuel to an interstate air business for use in a commercial aircraft.	1/1/16
2.2	Corrects verb tense ("recommend" replaced with "recommended").	When law
2.3	Makes a conforming change to update the sales tax collection statute for	When law
2.4	facilitators who are liable for sales tax under existing law.	
2.5	Clarifies that the sales tax exemption for food and prepared food provided to a person under a prepaid meal plan subject to tax under G.S. 105-164.4(a)(12) also excludes the packaging items (e.g., wrapping paper, plastic bags, cartons,	When law

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Section	Bill Analysis	Effective Date
	cups, napkins, straws) that are part of the sale and delivered with the food.	
2.6	Makes conforming change to comply with the Streamlined Sales and Use Tax Agreement to determine the effective date of a rate change for the combined general rate.	When law
2.7	Corrects a statutory reference.	When law
<b>PART III: LOCAL GOVERNMENT TAX CHANGES</b>		
3.1(a) 3.1(b)	Allows a county to disclose to a municipality in the county and the municipality to disclose to the county tax information necessary to administer a tax. Local tax records that contain information about a taxpayer's income or receipts are not public records and local government employees are prohibited from disclosing this information unless the disclosure is authorized by statute.	When law
<b>PART IV: MSA CHANGES</b>		
4.1(a)	Limits the look-back period to determine the amount of a bond for a Non-Participating Manufacturer (NPM) under the Master Settlement Agreement (MSA) to the preceding 3 calendar years. Current law is an unlimited look-back period meaning the bond amount for a NPM is based on sales volume occurring in the State at any time in the past. Sales of cigarettes are declining nationally and in the State. This change will reduce the bond amount for NPM with declining sales volume.  The Attorney General's Office requested this change.	10/1/16
<b>PART V: UI TAX CHANGES</b>		
5.(a)	Moves the date to calculate employers' tax rate for unemployment insurance (UI) taxes to September 1 to include tax payments made in the second quarter of the year. Under current law, employers pay UI taxes quarterly during the month after the quarter ends. Tax payments affect tax rates that are calculated annually on August 1. Some tax payments made during July are not received by August 1 and are not used in the tax calculation on August 1. This change moves the calculation date to September 1 to allow all second quarter tax payments to be credited to employers. Delaying the calculation date of UI tax rates will more accurately set tax rates based on all second quarter payments.	When law. Applies to contributions payable for calendar quarters beginning on or after 1/1/17
<b>PART VI: NO PERMIT FOR FIBER</b>		
6	Amends G.S. 160A-417(a2) to eliminate low voltage building permit requirements for the construction, installation, repair, replacement, or alteration of passive optical networks.	When law
<b>PART VII: EFFECTIVE DATE</b>		
7	Except as otherwise provided, this act is effective when it becomes law.	

*Trina Griffin substantially contributed to this summary.*