

ADOPTED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1050*

AMENDMENT NO. A1
(to be filled in by
Principal Clerk)

H1050-ASV-69 [v.6]

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Comm. Sub. [YES]
Amends Title [NO]
Second Edition

Date _____, 2014

Representative Howard

1 moves to amend the bill on page 4, line 10, and on page 5, line 18, by inserting the word
2 "corporation," between the word "partnership," and the words "S Corporation,";

3
4 And on page 15, line 36, through page 16, line 22, by rewriting the lines to read:

5 "SECTION 6.1.(d) Part 2 of Article 5 of Chapter 105 of the General Statutes is
6 amended by adding a new section to read:

7 **§ 105-164.11A. Refund of tax paid on rescinded sale or cancellation of service.**

8 (a) Refund. – A retailer is allowed a refund of sales tax remitted on a rescinded sale or
9 cancelled service. A sale is rescinded when the purchaser returns an item to the retailer and
10 receives a refund, in whole or in part, of the sales price paid, including a refund of the pro rata
11 amount of the sales tax based on the taxable amount of the sales price refunded. A service is
12 cancelled when the service is terminated and the purchaser receives a refund, in whole or in
13 part, of the sales price paid, including a refund of the pro rata amount of the sales tax paid
14 based on the taxable amount of the sales price refunded. A retailer entitled to a refund under
15 this section may reduce taxable receipts by the taxable amount of the refund for the period in
16 which the refund occurs or may request a refund of an overpayment as provided in
17 G.S. 105-241.7 provided the tax has been refunded to the purchaser. The records of the retailer
18 must clearly reflect and support the claim for refund for an overpayment of tax or adjustment to
19 taxable receipts for the period in which the refund occurs.

20 (b) Service Contract. – When a service contract is cancelled and a purchaser or the
21 purchaser's designee receives a refund, in whole or in part, of the sales price paid for the service
22 contract, the purchaser may receive a refund of the pro rata amount of the sales tax paid based
23 on the taxable amount of the sales price refunded as provided in this subsection.

24 (1) Refund from retailer. – If the purchaser receives a refund on any portion of
25 the sales price for a service contract purchased from the retailer required to
26 remit the tax on the retail sale of the service contract, then the provisions of
27 subsection (a) of this section apply.

28 (2) Refund application. – If the purchaser receives a refund on any portion of the
29 sales price for a service contract from a person other than the retailer
30 required to remit the tax on the retail sale of the service contract, then the
31 amount refunded to the purchaser by the person does not have to include the
32 sales tax on the taxable amount of the refund. If the amount refunded to the



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purchaser by the person does not include the sales tax paid, then the purchaser may apply to the Department for a refund of the pro rata amount of the tax paid based on the taxable amount of the service contract refunded to the purchaser. The application for a refund by a purchaser must be made on a form prescribed by the Secretary, supported by documentation on the taxable amount of the service contract refunded to the purchaser from the person who refunded that amount, and filed within 30 days after the purchaser receives a refund. An application for a refund filed by the purchaser after the due date is barred. Taxes for which a refund is allowed directly to the purchaser for sales tax paid on a service contract are not an overpayment of tax and do not accrue interest as provided in G.S. 105-241.21.";

And on page 17, lines 11 and 12, by adding the following new section between those lines to read and by renumbering the remaining sections accordingly:

"SECTION 6.1.(h) G.S. 105-187.5(a) reads as rewritten:

(a) Election. – A retailer may elect not to pay the tax imposed by this Article at the rate set in G.S. 105-187.3 when applying for a certificate of title for a motor vehicle purchased by the retailer for lease or rental. A retailer who makes this election shall pay a tax on the gross receipts of the lease or rental of the vehicle. The portion of a lease or rental payment that represents any amount applicable to the sales price of or sales tax on a service contract sold at retail that is subject to the tax imposed by Article 5 of this Chapter and sourced to this State should not be included in the gross receipts subject to the tax imposed by this Article. The amount of the lease or rental payment applicable to the sales price of or sales tax on a service contract sold at retail and sourced to the State should be separately stated on documentation given to the purchaser at the time the lease or rental agreement goes into effect, or on the monthly billing statement or other documentation give to the purchaser. Like the tax imposed by G.S. 105-187.3, this alternate tax is a tax on the privilege of using the highways of this State. The tax is imposed on a retailer, but is to be added to the lease or rental price of a motor vehicle and thereby be paid by the person who leases or rents the vehicle.";

And on page 42, line 15, by rewriting the line to read:

...
(45a) Streamlined Agreement. – The Streamlined Sales and Use Tax Agreement as amended as of May 24, 2012.~~October 30, 2013.~~
..."

And on page 50, lines 38 through 47, buy rewriting the lines to read:

"SECTION 14.24. G.S. 20-79.1A reads as rewritten:

'§ 20-79.1A. Limited registration plates.

(a) Eligibility. – A limited registration plate is issuable to any of the following:

(1) A person who applies, either directly or through a dealer licensed under Article 12 of this Chapter, for a title to a motor vehicle and a registration plate for the vehicle and who submits payment for the applicable title and

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1 registration fees but does not submit payment for any municipal corporation
2 property taxes on the vehicle. A person who submits payment for municipal
3 corporation property taxes receives an annual registration plate.

4 (2) A person who applies for a plate for a vehicle that was previously registered
5 with the Division but whose registration has not been current for at least a
6 year because the plate for the vehicle was surrendered or the vehicle's
7 registration expired over a year ago.

8 (b) Form and Authorization. – A limited registration plate must be clearly and visibly
9 designated as "temporary." The plate expires on the last day of the second month following the
10 date of application of the limited registration plate. The plate may be used only on the vehicle
11 for which it is issued and may not be transferred, loaned, or assigned to another. If the plate is
12 lost or stolen, the vehicle for which the plate was issued may not be operated on a highway
13 until a replacement limited registration plate or a regular license plate is received and attached
14 to the vehicle.

15 (c) Registration Certificate. – The Division is not required to issue a registration
16 certificate for a limited registration plate. A combined tax and registration notice issued under
17 G.S. 105-330.5 serves as the registration certificate for the plate.";

18
19 And on page 51, line 18, by adding a new section to read:

20 "SECTION 14.26. G.S. 105-114(b)(4) reads as rewritten:

21 '(4) Income year. – Defined in G.S. ~~105-130.2(4b)~~.105-130.2(10).'"

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

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and vote information, is available in the
House Principal Clerk's Office**