



CHAPTER 105  
ARTICLE 40 - FIRST ONE-HALF CENT (1/2¢) LOCAL GOVERNMENT SALES AND USE TAX

N.C.G.S. § 105-487.

Use of additional tax revenue by counties.

|                                                                                          |                                                                                     |                                           |                                                                                                    |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------|
| SOURCE<br>General Statutes of North<br>Carolina, as published by the<br>General Assembly | LAST AMENDMENT IN THIS<br>TEXT<br>S.L. 2009-395, s. 1 — fifth act<br>in the lineage | RETRIEVED<br>21 September 2026, 04:08 UTC | SOURCE FINGERPRINT<br>3e48afc9a62cfaa267f6d1d4 -<br>743038db38033f00a1e8c36a -<br>9bbf76609521e55c |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------|

**§ 105-487(a)** Except as provided in subsection (c), forty percent (40%) of the revenue received by a county from additional one-half percent (1/2%) sales and use taxes levied under this Article during the first five fiscal years in which the additional taxes are in effect in the county and thirty percent (30%) of the revenue received by a county from these taxes after the first five fiscal years in which the taxes are in effect in the county may be used by the county only for public school capital outlay purposes as defined in G.S. 115C-426(f) or to retire any indebtedness incurred by the county for these purposes.

**§ 105-487(b)** Repealed by Session Laws 1998-98, s. 31, effective August 14, 1998.

**§ 105-487(c)** The Local Government Commission may, upon petition by a county, authorize the county to use part or all its tax revenue, otherwise required by subsection (a) of this section to be used for public school capital needs, for any lawful purpose. The petition shall be in the form of a resolution adopted by the Board of County Commissioners and transmitted to the Local Government Commission. The petition shall demonstrate that the county can provide for its public school capital needs without restricting the use of part or all of the designated amount of the additional one-half percent (½%) sales and use tax revenue for that purpose.

In making its decision, the Local Government Commission shall consider information contained in the petition concerning not only the public school capital needs, but also the other capital needs of the petitioning county. The Commission may also consider information from sources other than the petition. The Commission shall issue a written decision on each petition stating the findings of the Commission concerning the public school capital needs of the petitioning county and the percentage of

revenue otherwise restricted by subsection (a) of this section that may be used by the petitioning county for any lawful purpose.

Decisions of the Commission allowing counties to use a percentage of their tax revenue that would otherwise be restricted under subsection (a) of this section for any lawful purpose are final and shall continue in effect until the restrictions imposed by that subsection expire. A county whose petition is denied, in whole or in part, by the Commission may subsequently submit a new petition to the Commission.

§ 105-487(d)

For purposes of determining the number of fiscal years in which one-half percent (½%) sales and use taxes levied under this Article have been in effect in a county, these taxes are considered to be in effect only from the effective date of the levy of these taxes and are considered to be in effect for a full fiscal year during the first year in which these taxes were in effect, regardless of the number of months in that year in which the taxes were actually in effect.

§ 105-487(e)

A county may expend part or all of the revenue restricted for public school capital needs pursuant to subsection (a) of this section in the fiscal year in which the revenue is received, or the county may place part or all of this revenue in a capital reserve fund and shall specifically identify this revenue in accordance with Chapter 159 of the General Statutes.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I  
5 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.

|    | 1983                                                                       |                     | 1996      |  | 2009 |
|----|----------------------------------------------------------------------------|---------------------|-----------|--|------|
|    | TICK HEIGHT = ACTS IN THAT YEAR     DASHED = RECODIFICATION, NOT AMENDMENT |                     |           |  |      |
| Nº | YEAR                                                                       | ACT                 | CHARACTER |  |      |
| 01 | 1983                                                                       | c. 908, s. 1        | ENACTED   |  |      |
| 02 | 1993                                                                       | c. 255, ss. 1, 3    | AMENDED   |  |      |
| 03 | 1998                                                                       | S.L. 1998-98, s. 31 | AMENDED   |  |      |
| 04 | 1998                                                                       | S.L. 1998-186, s. 1 | AMENDED   |  |      |
| 05 | 2009                                                                       | S.L. 2009-395, s. 1 | AMENDED   |  |      |

APPARATUS II  
1 AUTHORITY

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

| REFERENCE        | APPEARS IN | OPERATIVE LANGUAGE IN THIS SECTION      |
|------------------|------------|-----------------------------------------|
| G.S. 115C-426(f) | (a)        | "capital outlay purposes as defined in" |

APPARATUS III

Citation

FULL SECTION  
N.C. Gen. Stat. § 105-487 (2009).

PINPOINT  
N.C. Gen. Stat. § 105-487(a) (2009).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

Provenance

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The text of the section is unaltered. Subsection designators have been moved from the run of text into the margin. The amendment history and the table of authorities are derived from the section by mechanical extraction — they add no characterization of the law.

This is not the official text. The official text is published by the General Assembly of North Carolina.

HISTORY PARENTHETICAL, AS PRINTED BY THE STATE  
(1983, c. 908, s. 1; 1993, c. 255, ss. 1, 3; 1998-98, s. 31; 1998-186, s. 1; 2009-395, s. 1.)

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