



CHAPTER 105
ARTICLE 42 - SECOND ONE-HALF CENT (1/2¢) LOCAL GOVERNMENT SALES AND USE TAX

N.C.G.S. § 105-501.

Distribution of additional taxes.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT No amendment history on record	RETRIEVED 21 September 2026, 03:32 UTC	SOURCE FINGERPRINT 358350e822cf0f850db14c09 - d9f3a20ab80f99fdb282186b - 007d57ba444c85d4
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§ 105-501(a) Method. - The Secretary must, on a monthly basis, allocate to each taxing county the net proceeds of the additional one-half percent (1/2%) sales and use taxes collected in that county under this Article. If the Secretary collects taxes under this Article in a month and the taxes cannot be identified as being attributable to a particular taxing county, the Secretary must allocate the net proceeds of these taxes among the taxing counties in proportion to the amount of taxes collected in each county under this Article in that month.

The Secretary must divide and distribute the funds allocated to a taxing county each month under this section between the county and the municipalities located in the county in accordance with the method by which the one percent (1%) sales and use taxes levied in that county pursuant to Article 39 of this Chapter or Chapter 1096 of the 1967 Session Laws are distributed. No municipality may receive any funds under this section if it was incorporated with an effective date of on or after January 1, 2000, and is disqualified from receiving funds under G.S. 136-41.2. No municipality may receive any funds under this section, incorporated with an effective date on or after January 1, 2000, unless a majority of the mileage of its streets are open to the public.

§ 105-501(b) Deductions. - The costs incurred by the State to provide the functions listed in this subsection that support local governments are deductible from the collections to be allocated each month for distribution.

- (1) The Department's cost of the following for the preceding month must be deducted and credited to the Department:

a.The Local Government Division.

b.The Property Tax Commission.

- (1a) The Department of State Treasurer's costs for personnel and operations of the Local Government Commission.
- (2) One-twelfth of the costs of the following for the preceding fiscal year must be deducted and credited to the General Fund:

a.The School of Government at the University of North Carolina at Chapel Hill in operating a training program in property tax appraisal and assessment.

b.Repealed by Session Laws 2011-145, s. 27.1(b), effective July 1, 2012.

c.Seventy percent (70%) of the expenses of the Department of Revenue in performing the duties imposed by Article 2D of this Chapter. (1985 (Reg. Sess., 1986), c. 906, s. 1; 1987, c. 832, s. 8; 1987 (Reg. Sess., 1988), c. 1082, s. 4; 1995, c. 41, s. 4; c. 370, s. 1; 1999-458, s. 9; 2001-427, s. 13(d); 2002-126, s. 30D(a); 2006-264, s. 29(f); 2007-323, s. 31.16.4(b); 2010-31, s. 26.1(a); 2011-145, s. 27.1(a), (b).)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

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. 136-41.2	(a)	"is disqualified from receiving funds under"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 105-501 (2026).

PINPOINT

N.C. Gen. Stat. § 105-501(a) (2026).

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

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