



CHAPTER 105
ARTICLE 44 - LOCAL GOVERNMENT HOLD HARMLESS AND ALLOCATION PROVISIONS

N.C.G.S. § 105-522.

City hold harmless for repealed local taxes.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, 02:53 UTC	SOURCE FINGERPRINT 5fff738e10ecdea53cfc7520 - 66b9252acfd27af4f2fc0329 - ba367b73e53d307a
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- § 105-522(a)

Definitions. - The following definitions apply in this section:

(1)

Eligible municipality. - A municipality that was incorporated on or before October 1, 2008, and receives a distribution of sales and use taxes under G.S. 105-472.

(2)

Hold harmless amount. - The sum of the following amounts allocated for distribution to a municipality for a month. The references in this subdivision to Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter do not include the adjustment made pursuant to G.S. 105-524. The amounts are as follows:

a.The amount of sales and use tax revenue allocated under G.S. 105-486. This calculation determines the effect of repealing a one-half percent (1/2%) sales and use tax distributed on a per capita basis.

b.An amount determined by subtracting twenty-five percent (25%) of the amount of sales and use tax revenue allocated under G.S. 105-472 or Chapter 1096 of the 1967 Session Laws from fifty percent (50%) of the amount of sales and use tax revenue allocated under G.S. 105-486. This calculation determines the effect of distributing a one-quarter percent (.25%) tax on the basis of point of origin instead of on a per capita basis.
- § 105-522(b)

Requirement. - A county is required to hold the eligible municipalities in the county harmless from the repeal of the local sales and use taxes formerly imposed under this Article. The Secretary must add an eligible municipality's hold harmless amount to the amount distributed to the municipality under this Subchapter. To obtain the revenue

for the hold harmless distribution, the Secretary must reduce each county's monthly allocation under G.S. 105-472(b) or under Chapter 1096 of the 1967 Session Laws by the hold harmless amounts for the municipalities in that county. (2007-323, ss. 31.16.3(f), 31.16.4(c); 2007-345, s. 14.4(a); 2008-134, ss. 14(a), 15(c), (f), (g); 2015-268, s. 10.1(e3).)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
4 AUTHORITIES

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. 105-472	(a)(1)	"of sales and use taxes under"
G.S. 105-524	(a)(2)	"include the adjustment made pursuant to"
G.S. 105-486	(a)	"and use tax revenue allocated under"
G.S. 105-472(b)	(b)	"reduce each county's monthly allocation under"

APPARATUS III

Citation

FULL SECTION
N.C. Gen. Stat. § 105-522 (2026).

PINPOINT
N.C. Gen. Stat. § 105-522(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.

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