



# NCACC Brief Ballot Language

**Support legislation to allow counties to specify on the ballot how a proposed quarter-cent local sales tax levy will be spent.**

## At-A-Glance

- Counties fund mandated services like public health, public safety, public school construction, and election administration, as well as multiple other programs and services.
- Local sales taxes make up a significant portion of the revenue that pays for the services residents need and use every day.
- Counties can ask voters for authority to levy a quarter-cent (\$0.25) local sales tax under Article 46 of GS Chapter 105, but cannot explain to voters what the new revenue will fund.
- Voters deserve transparency about how their taxes will be spent, and counties need the ability to communicate fully with residents when they go to the ballot box.

## Background

Counties in North Carolina are authorized to levy up to 2.5% or 2.75% in local option sales and use taxes, which is added to the state levy of 4.75%. All 100 counties levy Articles 39 (1¢), 40 (½¢), and 42 (½¢); 46 counties levy Article 46 (1/4¢; as of Oct. 1, 2020); and 4 counties levy Article 43 (½¢). These Articles are found in G.S. Chapter 105.

Legislation proposed in previous sessions – including House Bill 667 in the 2019-20 session – would have allowed counties some flexibility in specifying the use of the quarter-cent local sales tax on the ballot, either general purpose or public education use.

## County Efforts & Recommendation

To better inform voters, counties are seeking authority to specify the use of the tax when placing a local sales tax referendum on the ballot.

Frequently, counties place a bond issue on a ballot along with a local sales tax referendum designed to pay for the bond over time. Specifying the use of a proposed local sales tax on the ballot allows residents to make a better-informed decision when they vote and supports reasonable planning.

County governing boards are in the best position to understand and respond to local needs. Counties should have the flexibility to use local revenues to address local challenges whether they are infrastructure, education, economic development, or other needs.

## Act Now

Please sponsor legislation to allow counties to specify on the ballot how a proposed quarter-cent local sales tax levy will be spent.

## For More Information

[www.ncacc.org/advocacyhub](http://www.ncacc.org/advocacyhub)

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