

Alamance County

Articles 43 and 46 Sales and Use Taxes



What are Articles 43 and 46?

- Article 43 is a 1/4% sales tax authorized by the North Carolina General Assembly in 2007 which may only be used to support public transportation.
- Article 46 is a 1/4% sales tax authorized by the North Carolina General Assembly in 2007 which can be used for any public purpose.
- Alamance County does not currently implement either of these sales taxes.

Don't We Already Pay Sales Tax?

- Yes. Sales taxes are the second largest source of revenue for local governments. Alamance County currently collects 2% local sales tax in addition to the sales taxes charged by the State of North Carolina. The current 2% local sales tax includes some revenue that may be used for any public purpose and some revenue that may only be used to support public schools.
- If you spent \$100 on items eligible for taxation under Alamance County's current sales taxes, you would be taxed \$2:
 - \$1.55 for any public purpose
 - \$0.45 for support of public schools only
- In total, Alamance County may only collect 2.5% in total sales and use taxes. The two remaining sales taxes that Alamance County may adopt are Articles 43 and 46, which are 1/4% each.

How are New Sales Taxes Adopted?

- For any additional tax under Articles 43 or 46, Alamance County would need voter approval by referendum. Each 1/4% referendum must be listed separately if appearing at the same election. The language of each referendum is determined by state law. The Article 43 referendum language is clear about the restriction on how the revenue can be spent, while the Article 46 referendum language is less specific.
- The Board of Commissioners may decide to designate how Article 46 revenues will be spent, but it may not manipulate the referendum language to communicate that intent.
- If approved by referendum, the Board of Commissioners then must vote on whether or not to adopt the new sales tax after at least 10 days public notice.