

ALERTS

North Carolina Legislative Report - January 25, 2013

January 18 - 25, 2013

On the Floor

The NC General Assembly reconvened January 9, 2013 to open the long legislative session. Lawmakers are scheduled to return to Raleigh January 30, 2013.

The MVA Public Affairs Legislative Report on North Carolina will be distributed weekly to keep you up to date on the latest legislative issues facing the state while the North Carolina Legislature is in session.

Legislative Tax Update

This week has had several new developments with respect to any tax reform proposal that could be expected to emerge. First, several high-ranking State officials have questioned pieces of what has been rumored to be the tax reform plan taking shape in the Senate. To date, the rumored plan has included an elimination of the corporate and personal income taxes, a substantial expansion of the sales and use tax, a conversion of the corporate franchise tax into a business license fee, and an increase in the State excise tax on conveyances. On Wednesday, January 23rd, both State Treasurer Janet Cowell (D) and Deputy State Budget Director Art Pope (R) expressed some concerns about the rumored plan. Pope stated that he personally had concerns about a plan that eliminated income taxes and replaced them with a very broad-based sales and use tax. He cited concerns about the regressivity of the sales and use tax and the potential impacts on the elderly. Cowell refused to take a position on the rumored plan, but cited concerns about the potential impact on the State's bond ratings if the State moved to a revenue system that relied very heavily on a single source of revenue.

There is some belief, both at the legislature and in broader government circles, that the Senate plan may be changing in response to concerns that have been raised so far. Key differences may include:

Retention of both the corporate and personal income taxes, albeit at lower rates.

A broad expansion of the sales tax base. The sales and use tax base would still be expanded both by eliminating current exemptions and expanding into services, but that the combined State and local tax rate, currently ranging from 6.75% to 7.25% depending on the county, would decrease rather than increase.

Retention of a business license fee, but at a lower rate than originally projected.

In the News

Mansfield ends bid for state Democratic Party chairmanship - 1/25/2013

One of the two candidates for North Carolina Democratic Party chairman has dropped out of the race, citing family concerns.

Janet Cowell adds staff, plans larger role as a leading Democrat - 1/24/2013

State Treasurer Janet Cowell is preparing to play a more prominent role in helping Democrats push their message amid complete Republican control of the lawmaking process.

Federal unemployment benefits would end July 1 under GOP plan - 1/24/2013

Tens of thousands of unemployed workers receiving federal emergency unemployment will likely lose their benefits starting July 1 as legislators overhaul the program.

Gov. McCrory embraces offshore wind power as energy alternative - 1/24/2013

Republican Gov. Pat McCrory asserted his political independence on energy policy this week by throwing his support behind developing wind farms in North Carolina.

Ex-NC Gov. Perdue going to Harvard for semester - 1/24/2013

Former North Carolina Gov. Beverly Perdue will spend her first few months out of office at Harvard University. Harvard's Institute of Politics announced Thursday that Perdue was selected for one of six resident fellowships for the spring semester. She'll lead weekly study groups and interact with students on the Massachusetts campus.

In trouble, GOP will gather in Charlotte to decide what next - 1/24/2013

The Republican National Committee gathers this week in Charlotte for the first time since the November election as the party faces a challenging landscape.

GOP lawmaker wants to block lottery sales to those on public assistance - 1/24/2013

State lawmakers are discussing draft legislation that would prohibit lottery retailers from knowingly selling tickets to customers who receive public assistance, such as food stamps, or are in bankruptcy.

Opinion: A tax-reform plan that rewards the wealthy and stalls the state - 1/24/2013

When the N.C. General Assembly convenes Wednesday, a few state lawmakers are probably going to introduce a bill that would slash income taxes for wealthy North Carolinians, scrap tax credits for low- and middle-income families and raise sales taxes on things like groceries and gas.

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McCrory weighing tax options - 1/24/2013

Gov. Pat McCrory said Thursday he was weighing four or five tax overhaul plans, but had not made a decision in which one to support. "I will be playing a major role as chief executive in determining which tax reform model we will go after," McCrory told a town hall meeting of the N.C. League of Municipalities. He said it is important that North Carolina be competitive in its taxes, compared to surrounding states.

Art Pope says ending state income tax creates more concerns - 1/23/2013

Gov. Pat McCrory's budget director distanced the Republican chief executive from a proposal to eliminate income taxes in North Carolina and expressed his own "great concerns" with the concept being floated by leading GOP lawmakers.

Gov. McCrory names additions to his office staff - 1/23/2013

North Carolina Gov. Pat McCrory named five additions to his office staff including Smith, Anderson attorney Blannie Cheng as deputy advisor for jobs and economy.

Poll: NC supports background checks, concerned about mental health - 1/23/2013

North Carolinians disagree on many of the proposals to regulate gun ownership that surfaced after recent mass shootings, but a WRAL News poll found widespread consensus that all gun buyers should have to pass a criminal background check.

Fund could help cover Panthers stadium upgrades - 1/23/2013

Rather than raise taxes to help pay for Bank of American Stadium renovations, the city of Charlotte could conceivably cover almost all of the team's \$125 million request by using Convention Center money.

Thom Tillis urges careful approach on taxes - 1/23/2013

Next week, North Carolina's legislature starts work on an ambitious agenda led by tax reform. Republicans and Democrats alike agree the current system is antiquated, but differences are sure to emerge over what constitutes a solution.

Wake school changes have state GOP support - 1/23/2013

State Rep. Paul Stam of Apex, House Speaker pro tempore, said that he expects the GOP-led legislature to pass new laws that would allow the Wake County Board of Commissioners to take over ownership of schools from the Board of Education and to require that some Wake school board seats be elected on a countywide basis.

Cowell: NC has no room to bond unemployment debt - 1/23/2013

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State Treasurer Janet Cowell said that North Carolina should steer clear of any plan to issue bonds in order to repay \$2.4 billion borrowed from the federal government to pay unemployment claims.

Number of groups want McCrory to expand Medicaid - 1/22/2013

More than 70 health care and community groups want Gov. Pat McCrory to expand Medicaid to cover 500,000 additional uninsured people, saying it's a good deal for North Carolina.

Group says DENR's drilling disclosure recommendations not tough enough - 1/22/2013

Many of the chemicals that gas drilling operations pump into the ground are kept secret, but a state advisory panel said Tuesday that North Carolina should require companies to reveal more about their drilling efforts to the public.

Bill would make Forsyth County schools state's first 'charter school district' - 1/19/2013

State Rep. Donny Lambeth, R-Forsyth, said he plans to co-sponsor a bill in the N.C. House that would convert the Winston-Salem/Forsyth County Schools to the state's first charter-school district, aiming to reduce state regulatory control and allow more innovation by administrators and teachers.

New North Carolina congressmen stand out for their wealth - 1/18/2013

Three of North Carolina's newest members of Congress have another distinction - they're the state's richest. The three - Republicans Robert Pittenger of the 9th District, Mark Meadows of the 11th and George Holding of the 13th - have the highest average net incomes in the state's U.S. House delegation, according to a new report from the Center for Responsive Politics.

NC health chief works on Medicaid billing systems - 1/18/2013

North Carolina's new health secretary announced directives related to a beleaguered new Medicaid claims processing system she aims to ensure comes online smoothly and without unnecessary expenses.

Legislative Calendar

Tue, January 29, 2013

- 1:00 PM Joint Legislative Committee on Workers' Compensation Insurance Coverage Compliance and Fraud Prevention and Detection (2011) 415 LOB

Wed, January 30, 2013

- 9:00 AM Rep. Brandon/Press Conference Press Room LB
- 12:00 PM Session Convenes (House) House
- 12:00 PM Session Convenes (Senate) Senate

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Wed, February 06, 2013

- 4:00 PM Joint International Business Caucus 1228/1327 LB

Tue, February 19, 2013

- 12:00 PM Press Conference/Rep. R. Moore Press Room LB
- 1:00 PM Rep. Moore/Common Cause Lobby Day 415 LOB
- 1:00 PM Rep. Moore/Common Cause Lobby Day 605 LOB

Wed, February 27, 2013

- 9:00 AM NCTA PRESS CONFERENCE Press Room LB

Tue, April 09, 2013

- 11:45 AM Rep. D. Ross/NC Women United's Press Conference Press Room LB