



## Frequently Asked Questions about the Quarter Cent (1/4¢) Sales and Use Tax

### Who put this issue on the ballot?

The NC General Assembly granted county boards of commissioners the authority to levy, subject to voter approval, an additional one-quarter cent (1/4¢) county sales and use tax. On June 11, 2018, the Board approved a resolution calling for a November 6, 2018 Special Advisory Referendum concerning the Levy of a One-Quarter Cent (1/4¢) County additional Sales and Use Tax.

### What will these funds be used for?

The Board of Commissioners resolved in a June 11, 2018 resolution to designate funds generated by the Article 46 one-quarter cent (1/4¢) sales and use tax as follows:

- **Public Education** – Funding will be allocated to public educational initiatives including those in the public school system and Stanly Community College

The **Stanly County School System** has more information regarding their plan for allocating the additional sales tax funds on their website. For more information please follow the link below:

<https://4.files.edl.io/a4fa/08/13/18/202727-e580b6b2-b2cd-4464-9da2-1263113a2bca.pdf>

### Will the identified areas for funding be permanent or change?

The resolution covering the allocation of funds specifically designates the funds for public education. There was not a sunset provision in the Board's resolution.

### How much money will be raised through this tax?

The Stanly County Finance Department and the NC Association of County Commissioners estimate, based on current sales tax figures, the one-fourth of a penny sales and use tax would generate approximately \$1,500,000 annually.

## **How does this compare to property taxes?**

**One penny** in Stanly County **property tax** generates close to **\$470,000**.

**One-fourth of a penny** in **sales tax** is projected to raise around **\$1,500,000**.

## **Will the tax be permanent or will it have a sunset provision?**

The Board's authorizing resolution to place the sales tax on the November 6, 2018 ballot does not include a sunset provision. However, the current or future Board could elect to sunset the tax at some point in the future.

## **Are there items exempt from the sales tax?**

The sales tax will apply to purchases on items such as clothing, household supplies, electronics as well as prepared food and drinks (restaurant or store).

There are numerous items exempt from the sales tax including **prescription medication**, gasoline, certain agricultural supplies and motor vehicles. For a full listing, see [North Carolina General Statute 105-164.13](#).

**Non-prepared food (groceries) are also exempt per [General Statute 105-164.13B](#).**

## **Has the sales tax referendum been on ballots in other counties?**

Yes, since the legislature granted counties authority to seek voter approval, many counties have placed the referendum on a local ballot. In fact, several counties in our area have already approved and enacted the additional 0.25% sales tax. These counties include Anson, Cabarrus, Davidson, Montgomery, Randolph and Rowan.

## **What is the current sales tax rate for Stanly and adjacent counties?**

The current sales tax rate for Stanly County is 6.75% or six and three quarters of a cent for a \$1.00 purchase. Below please find the current sales tax rate in adjacent counties:

Mecklenburg (Charlotte) – 7.25%

Randolph (Asheboro) -	7.00%
Montgomery (Troy) -	7.00%
Cabarrus (Concord) -	7.00%
Rowan (Salisbury) -	7.00%
Davidson (Lexington) -	7.00%
Anson (Wadesboro) -	7.00%
Union (Monroe) -	6.75%

### **If the sales tax passes does it mean property taxes will not be increased?**

The sales tax lessens the pressure on property tax but it will be up to the Board of Commissioners to determine future property tax rates during their annual budget discussions. Currently property tax constitutes slightly over 50% of funding for Stanly County Government services.

### **How much will the sales and use tax cost?**

The additional 0.25% sales and use tax will be **twenty-five cents (\$0.25)** for every **\$100 purchase**.

### **How is a sales tax different from property tax?**

Property taxes are assessed based on how much property you own. Not all residents own property. Businesses pay property taxes. Keeping property taxes low can help encourage economic development. Sales taxes are generated from monetary transactions. Tourists and visitors to Stanly County would also help support county services through a sales tax. According to data from the NC Dept. of Commerce, Stanly County ranks 49<sup>th</sup> in the state with respect to visitor and tourism related revenue.

### **What is the voting procedure?**

Details on the voting process can be found on the Board of Elections website. The form of the ballot question for the additional 0.25% sales tax is mandated by NC General Statute 105-537(c). Please see below:

FOR                       AGAINST

Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State and local sales and use taxes.