



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

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### **Who put this issue on the ballot?**

In 2007, 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 September 15, 2014, the Board approved a resolution calling for a November 4, 2014 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 September 15, 2014 resolution to designate funds raised through the Article 46 one-quarter cent (1/4¢) sales and use tax as follows:

- **Waterway Dredging and Maintenance** – the Board of Commissioners intends to allocate Article 46 one-quarter cent (1/4¢) County sales and use tax proceeds for waterway dredging and maintenance and intends to appoint a waterway management board to prioritize the need for these purposes and administer the funds to accomplish the waterway dredging and maintenance.

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

The Carteret County Finance Department estimates, based on current sales tax figures, that the one-fourth of a penny sales and use tax would generate approximately \$2,500,000 annually.

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

One penny in Carteret County property tax raises around \$1,489,000.

One-fourth of a penny in Sales Tax is projected to raise around \$2,500,000.

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

There are a multitude of items that are 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.

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.

**What is the current sales tax rate for Carteret and other counties?**

The current sales tax rate for Carteret County is 6.75% or six and three quarters of a cent for a \$1.00 purchase. The North Carolina Department of Revenue has a tax rate list of all North Carolina counties.

**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 the property tax rate during their annual budget discussions. Currently property tax is the primary source of funding for Carteret County Government services.

**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 Carteret County would also help support county services through a sales tax.