

TABLE 63. STATE AID PAID TO COUNTIES AND MUNICIPALITIES BY TYPE

Fiscal year	County reimbursements						Municipal reimbursements						Annual combined county/ municipal reimbursements/ distributions [\$]
	Exemption of inventories from property tax base [\$]	Homestead exemption for elderly disabled [\$]	Repeal of intangibles tax [\$]	Sales taxes lost due to exemption of purchases made with food stamps [\$]	Transitional local government hold harmless distribution payment [\$]	Total county reimbursements/ distributions [\$]	Exemption of inventories from property tax base [\$]	Homestead exemption for elderly disabled [\$]	Repeal of intangibles tax [\$]	Sales taxes lost due to exemption of purchases made with food stamps [\$]	Transitional local government hold harmless distribution payment [\$]	Total municipal reimbursements/ distributions [\$]	
1990-1991.....	113,148,733	5,982,816	24,308,473	4,609,051	-	148,049,073	47,689,353	1,907,937	8,978,246	1,797,588	-	60,373,124	208,422,197
1991-1992.....	127,973,397	5,982,816	24,285,044	4,619,906	-	162,861,163	62,403,322	1,907,937	9,001,674	1,786,733	-	75,099,666	237,960,829
1992-1993.....	127,836,677	5,982,816	24,856,007	4,665,600	-	163,341,100	62,337,402	1,907,937	9,138,424	1,741,040	-	75,124,803	238,465,903
1993-1994.....	128,041,706	5,982,816	24,798,521	4,696,057	-	163,519,100	62,132,372	1,907,937	8,842,054	1,710,582	-	74,592,945	238,112,046
1994-1995.....	128,275,622	5,982,816	25,131,887	4,713,909	-	164,104,232	61,898,456	1,907,937	8,508,688	1,692,731	-	74,007,813	238,112,046
1995-1996.....	128,177,800	5,982,816	93,573,215	4,686,490	-	232,420,321	61,996,278	1,907,937	35,399,287	1,720,149	-	101,023,652	333,443,973
1996-1997.....	128,127,586	5,982,816	93,536,620	4,684,418	-	232,331,440	62,046,502	1,907,937	35,435,883	1,722,221	-	101,112,544	333,443,983
1997-1998.....	127,816,851	8,267,726	91,981,080	4,644,908	-	232,710,565	62,357,237	2,369,914	36,991,422	1,761,732	-	103,480,305	336,190,870
1998-1999.....	127,759,250	8,258,365	91,715,522	4,639,885	-	232,373,022	62,414,838	2,369,914	37,256,980	1,766,755	-	103,808,487	336,181,509
1999-2000.....	127,702,802	5,982,816	91,739,799	4,627,348	-	230,052,765	62,471,286	1,907,937	37,232,703	1,779,291	-	103,391,217	333,443,983
2000-2001.....	63,863,877	5,982,816	92,105,827	4,624,220	-	166,576,739	31,223,168	1,907,937	36,866,676	1,782,419	-	71,780,200	238,356,939
2001-2002.....	127,781,871	-	92,162,980	4,629,639	-	224,574,490	62,392,217	-	36,809,522	1,777,001	-	100,978,740	325,553,230
2002-2003.....	-	-	-	-	-	-	-	-	-	-	-	-	-
2003-2004.....	-	-	-	-	20,730,041	20,730,041	-	-	-	-	18,102,442	18,102,442	38,832,483
2004-2005.....	-	-	-	-	14,855,944	14,855,944	-	-	-	-	14,157,460	14,157,460	29,013,405

Detail may not add to totals due to rounding.

Reimbursements are replacement revenues paid to local governments by the State intended to offset local revenue lost due to legislative changes.

Amounts are shown by year in which received by local governments.

Amounts shown for intangibles tax include special allocations to local governments to replace local revenue lost.

Amounts distributed to local governments were frozen at the level of distribution during 1990-91. The distributions are based on the following periods: intangibles tax collections made during fiscal year 1989-90; collections of beer and wine taxes during the period October 1, 1989, through September 30, 1990; and utility franchise tax collections on taxable gross receipts of companies during the period April 1, 1990, through March 31, 1991.

Intangibles tax was repealed effective for taxable years beginning on or after January 1, 1995.

Prior to repeal, local governments received two payments annually (in September and April) as reimbursement for local property taxes lost due to the exemption of inventories from the property tax base. In 2000-01, the April payment was deferred until July 2001 (2001-02 fiscal year); as a result, local governments realized one-half of the annual, scheduled reimbursement amount during the 2000-01 fiscal year. The September 2001 payment was issued but the State retained the funds allocated for the April 2002 payment, instead placing them in a special reserve fund due to the budgetary shortfall.

The reimbursement for local property taxes lost due to the homestead exemption for the elderly and disabled was canceled in 2001-02 as the State retained the funds due to the budgetary shortfall.

Repeal of local reimbursements and revenue replacement option

The 2001 General Assembly repealed local reimbursements effective July 1, 2003; the 2002 General Assembly advanced the date of the scheduled repeal to July 1, 2002. A new Article 44 of Subchapter VIII, Chapter 105 granted counties the authority to impose an additional 1/2% local sales and use tax to replace revenue lost due to repeal of the reimbursements, and provided for a transitional local government hold harmless distribution, G.S.105-521 (scheduled to sunset in 2012). The statute stipulates that the hold harmless distribution funds be drawn from sales and use taxes collected pursuant to Article 5, Chapter 105.