

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 182

Short Title: No Privilege Tax for Certain Professions. (Public)

Sponsors: Senators Sawrey, Settle, and Overcash (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 2, 2023

A BILL TO BE ENTITLED
AN ACT TO ELIMINATE CERTAIN PRIVILEGE TAXES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-41 is repealed.

SECTION 2. G.S. 53-191 reads as rewritten:

"§ 53-191. Businesses exempted.

Nothing in this Article shall be construed to apply to any person, firm or corporation doing business under the authority of any law of this State or of the United States relating to banks, trust companies, savings and loan associations, cooperative credit unions, agricultural credit corporations or associations organized under the laws of North Carolina, production credit associations organized under the act of Congress known as the Farm Credit Act of 1933, pawnbrokers lending or advancing money on specific articles of personal property, industrial banks, the business of negotiating loans on real estate as defined in G.S. 105-41, estate, nor to installment paper dealers as defined in G.S. 105-83 other than persons, firms and corporations engaged in the business of accepting fees for endorsing or otherwise securing loans or contracts for repayment of loans."

SECTION 3. G.S. 93-12(12) is repealed.

SECTION 4. G.S. 105-88(b) reads as rewritten:

"(b) This section does not apply to banks, industrial banks, trust companies, savings and loan associations, cooperative credit unions, the business of negotiating loans on real estate as described in G.S. 105-41, estate, or insurance premium finance companies licensed under Article 35 of Chapter 58 of the General Statutes. This section applies to those persons or concerns operating what are commonly known as loan companies or finance companies and whose business is as hereinbefore described, and those persons, firms, or corporations pursuing the business of lending money and taking as security for the payment of the loan and interest an assignment of wages or an assignment of wages with power of attorney to collect the amount due, or other order or chattel mortgage or bill of sale upon household or kitchen furniture. No real estate mortgage broker is required to obtain a privilege license under this section merely because the broker advances the broker's own funds and takes a security interest in real estate to secure the advances and when, at the time of the advance, the broker has already made arrangements with others for the sale or discount of the obligation at a later date and does so sell or discount the obligation within the period specified in the arrangement or extensions thereof; or when, at the time of the advance the broker intends to sell the obligation to others at a later date and does, within 12 months from date of initial advance, make arrangements with others for the sale of the obligation and does sell the obligation within the period specified in the arrangement or extensions thereof; or because the broker advances the broker's own funds in



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1 temporary financing directly involved in the production of permanent-type loans for sale to
2 others; and no real estate mortgage broker whose mortgage lending operations are essentially as
3 described above is required to obtain a privilege license under this section."

4 **SECTION 5.** This act is effective for taxes imposed for taxable years beginning on
5 or after July 1, 2024.