Projections for State-Collected Local Government Tax Revenue
FY 22-23 & FY 23-24

Prepared by:
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1 EXECUTIVE SUMMARY

This document summarizes and analyzes state-collected taxes distributed to local governments by the NC Department of Revenue (DOR) and provides a forecast of these revenue sources for the remainder of the current fiscal year (2022-23) and the upcoming fiscal year (2023-24). Statewide projections for each tax revenue source are summarized in the table below and explained later in this document.

*Please read through this entire report, including the cautionary note below, for important caveats and context related to each of the League’s projections.*

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Projected Change from FY21-22 to FY22-23</th>
<th>Projected Change from FY22-23 to FY23-24</th>
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<td>Sales and Use Tax</td>
<td>+11.0%</td>
<td>+6.3%</td>
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<tr>
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<td>-4.7%</td>
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<tr>
<td>Solid Waste Disposal Tax</td>
<td>+6.9%</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Alcoholic Beverages Tax</td>
<td>+4.6%</td>
<td>+2.1%</td>
</tr>
</tbody>
</table>

More information on the recent legislative history and distribution formulas for each tax described in this report can be found in our [Basis of Distribution Memo](#). The League also publishes quarterly revenue reports which summarize state-collected local revenues as they are distributed throughout the year. All annual projections and quarterly reports can be found on the [NCLM State-Collected Revenue Projections](#) page of our website.

1.1 CAUTIONARY NOTE

*Estimates included in this document should be used only as a rough guide in preparing your Fiscal Year 2023-24 proposed budget.* Estimates should be modified as necessary to fit your local situation, your community’s actual trends, and your own assumptions about the effects of various economic and political factors. Revenue estimates are always subject to error and may fluctuate widely based on unpredictable factors such as weather conditions, policy changes, or as we have seen in recent years, pandemics and international conflicts. Our goal is to provide municipalities with a reasonable projection of where state-collected revenues are heading based on available information and guidance from subject-matter experts.

These estimates also assume that the General Assembly will make no changes in 2023 to the formulae that govern municipal shares of State-collected revenue. Please continue to pay close attention to the [League’s Legislative Bulletins](#) throughout the session for updates on the state of any legislation. If our
revenue estimates change materially due to economic circumstances or legislative action, we will communicate this information to our members as soon as possible.

1.2 PROJECTION TIME FRAME
The Local Government Commission (LGC) encourages the use of a 90-day accrual period to meet Governmental Accounting Standards Board (GASB) 33 measurement focus requirements (see “Memo #1015 ‘Recognition of Sales Tax and Other Revenues at Year-End’”). Because the revenues governments receive in September are derived from sales through June, we consider them to be from the previous fiscal year, corresponding to when the transaction took place. This report considers the following data to be included in a “fiscal year” of revenue:

- DOR monthly distribution data for collection months August through July
- DOR quarterly distribution data beginning with the collection quarter ending in September, and stopping with the collection quarter ending in June.

For an example of how sales month, collection month and distribution month align, see DOR’s Sales Tax Distribution and Closeout Schedule. For the full distribution schedule, see DOR’s Local Government Distribution Schedule.

1.3 QUESTIONS AND CONTACTS
Any questions related to this document should be directed to the League’s Research team which is comprised of Pat Madej, Research Program Manager and Chris Nida, Director of Technical Assistance for Cities. We would like to thank NCLM’s Communications team and our partners at the NC Department of Revenue (DOR) and the NC Office of Budget & Management (OSBM) for their assistance in preparing this document. Please see Section 5 of this document for additional topics which DOR may be able to assist your municipality with and their related contacts.
2 OVERVIEW OF ECONOMIC CONDITIONS

Transitioning Out of the Pandemic

At the time of this report, the world is now over three years into the COVID-19 pandemic. While COVID-19 remains a national concern with the Biden administration continuing to extend the COVID-19 public health emergency, the World Health Organization (WHO) has indicated optimism around a transition out of the emergency phase in 2023. Data from the NC Department of Health and Human Services show that COVID-related emergency room visits have ebbed and flowed throughout the past year, peaking in the summer and winter, but no variants have arguably appeared as prominent as Delta or Omicron did in 2021 and early 2022.

Data gathered by Gallup show that concern about catching COVID-19 has steadily decreased in the U.S., and around half of Americans currently believe that the pandemic is over. Their findings also show that the number of Americans isolating and avoiding large crowds continues to decrease, which bodes well for economic activity.

Employment Trends

Another pandemic-driven factor affecting the workforce is the continuing trend of workplaces offering hybrid environments. Gallup has found that while the number of fully remote opportunities has decreased, the number of hybrid opportunities continues to rise. Further, intent to leave a workplace increased when employees could not work in their preferred environments, which hiring managers should consider when competing with peer organizations and addressing recruitment and retention issues. Local governments are also continuing to adapt to less foot traffic and occupancy in their downtowns as these trends of non-traditional work arrangements continue.

As shown in the below graph, unemployment both nationwide and statewide in North Carolina have continued their decline to historic lows with both figures coming in at 3.6% as of February 2023.
Payroll employment is also up year-over-year in North Carolina and nationwide, although growth in this metric has started to slow. The Federal Reserve Bank of Richmond’s March Carolinas Survey of Business Activity’s index of general business conditions is still below high levels seen in 2021, but has slightly increased since the beginning of 2023.

The NC Department of Commerce’s monthly NC Today report shows increases in employment, with the most month-over-month jobs created in February 2023 in education and health services, manufacturing, and leisure and hospitality.
Consumer Spending

Spending by consumers in North Carolina has roughly kept pace or outpaced nationwide spending since the beginning of the COVID-19 pandemic. The below chart shows that the rate of consumer spending returned to pre-pandemic levels by the beginning of 2021, and has since continued to rise.

Inflation has been a prevalent issue since the pandemic began as well. Rising rapidly during 2021, the Consumer Price Index (CPI) twelve month percent change recently peaked at 9.1% in June 2022. While this index has since fallen to 6.0% as of February 2023, this is still significantly higher than the Federal Reserve’s target of 2.0%. This high inflation combined with the sustained increases in consumer spending noted above are significant factors in the unprecedented sales tax collections we have seen over the past two-and-a-half fiscal years.

In order to combat inflation, the Federal Reserve has continuously raised interest rates since 2022, most recently raising them another quarter of a percentage point in March 2023. These rate increases will continue to put pressure on consumers, and economists worry that a sustained aggressive approach by the Federal Reserve could increase the probability of a recession.

At the time of this year’s memo, gas prices in North Carolina hover around $3.31/gallon, compared to $3.98/gallon in March 2022 and $2.63/gallon in March 2021. While prices have fallen on average, they continue to put pressure on consumers.

Other indicators continue to point to potential hardships for consumers. Data from the U.S. Census Bureau’s Household Pulse Survey Interactive Tool note that in the first half of March 2023, an estimated 35.6% of North Carolina adults reported difficulties in paying for “usual household expenses,” up from
34.4% last year and 29.9% the year before. Additionally, as shown in the below graph, consumer debt has continued to rise year over year while savings have fallen, reversing a trend which occurred during the height of the pandemic.

Housing

A February 2023 report by the Federal Reserve Bank of Richmond shows that 3-month average year-over-year building permits are down by 22.6% in North Carolina, compared to a 35.7% national drop. The rise in North Carolina housing prices has continued, but at a slower pace, likely due to the Federal Reserve’s recent hikes in interest rates. The Federal Reserve Bank of St. Louis, using data from the U.S. Federal Housing Finance Agency, notes a slight dip in their House Price Index for Q4 of 2022 compared to the previous quarter. As of February 2023, Zillow cites a 10.5% increase in NC home values year over year, compared to a 26.0% increase this time last year.

In response to steep rises in housing costs, the League recently partnered with the NC Association of County Commissioners to administer a survey of Planning and Inspections departments in fast growing communities to better understand the scope of the problem. Key findings from the survey, including steps that local governments are taking to address housing affordability, are included in our detailed report, Local Governments Responding: The Housing Crisis in North Carolina.

Economic Forecasts and Projections

Compared to this time last year, economists appear to be increasingly uncertain and pessimistic about the economy. Dr. Michael Walden’s March Index of North Carolina Leading Economic Indicators fell 0.3% from the previous month and 4.2% from the previous year. These decreases were driven by multiple factors including claims for unemployment, manufacturing hours, and earnings. The only positive component for this particular month was building permits, and in his release of this month’s document, Dr. Walden questions whether it is “time to worry” in regards to a pending recession.

Dr. John Connaughton’s March 2023 North Carolina Economic Forecast notes that while U.S. GDP declined for two quarters of 2022, the country saw “tremendous strength in the labor market.” His report projects
forecasted GDP growth of 3.7% for 2022 over 2021 and 1.6% for 2023 over 2022, which would “represent the third full year of growth since COVID-19.” Concurring with other economists, he notes that further rate hikes by the Federal Reserve could be a driving factor of a future recession.

A recent survey of CFOs across the United States conducted by Duke University and the Federal Reserve Banks of Richmond and Atlanta found that CFOs display far more optimism about their individual companies than the United States economy as a whole. The top three concerns cited by CFOs were “labor quality/availability,” “cost pressure/inflation,” and “monetary policy,” while supply chain concerns—which previously ranked highly—have greatly decreased.

A National Association of Business Economics February 2023 survey of professional macroeconomic forecasters found additional uncertainty and a lack of consensus around the economy’s future, noting that “Estimates of inflation-adjusted gross domestic product or real GDP, inflation, labor market indicators, and interest rates are all widely diffused, likely reflecting a variety of opinions on the fate of the economy—ranging from recession to soft landing to robust growth.”

Also exacerbating economic uncertainty is the continued invasion of Ukraine by Russia; for example, a recent study by the World Economic Forum found that one residual effect of this war is a near doubling of energy prices worldwide. The U.S. has also continued to sanction Russia, with additional costs announced by the State Department as recently as February 2023. A continued or escalating conflict will continue to have ripple effects on the U.S. and worldwide economies.

American Rescue Plan

North Carolina municipalities continue to plan for and spend the $1.3 billion of American Rescue Plan funding distributed to them across the state. Preliminary data from Brookings Institute show that across the country, local governments are spending their funding on government operations, housing, economic development, and more, and the South is spending heavily on infrastructure relative to other regions in the U.S. We continue to be hopeful that the funding will continue to stimulate the economy and foster transformational opportunities for our members. For more information on the American Rescue Plan, and details on how NCLM can help you make the most of available federal funds, visit arp.nclm.org.
3  **STATE-SHARED TAX REVENUE PROJECTIONS**

3.1  **SALES AND USE TAX**

3.1.1  **Overview of NC Sales Tax Distribution**
Sales and use taxes make up the largest amount of tax revenue that the state distributes to local governments in North Carolina and make up approximately a quarter of a median NC municipality’s revenues, excluding utilities. Local sales taxes are authorized as different “Articles” in statute. Not all Articles are levied by every county. For an overview of every sales tax article and how it is distributed, see our [Basis of Distribution Memo](#).

In addition to the state’s distribution calculations, distribution methods can vary by county as well. Every April, counties can change the method of distributing local option sales tax revenues to their municipalities, either from per capita to proportion of ad valorem tax levies, or vice versa. The method chosen by the county board of commissioners determines the division of funding among county and municipal governments. Population or tax levy changes might cause some counties to take a close look at the current distribution method to determine if it is still advantageous to them. Changes in distribution method do not take effect until the start of the subsequent fiscal year; for example, a county submitting a change to their distribution method in April 2023 would see it take effect in July 2024.

3.1.2  **Sales Tax Projection**
Despite an initial downturn during the onset of the COVID-19 pandemic, North Carolina local government sales tax revenues have continued to grow at an unprecedented rate; after many years of growth ranging from approximately 4-8%, the two years since the pandemic began each saw growth averaging around 15% statewide. Factors driving this growth have included stimulus checks provided directly to consumers, enhanced and extended unemployment benefits, changes in consumer behavior, and, for better or worse, rapidly rising inflation. Further, the [**South Dakota v. Wayfair case**](#) which allowed North Carolina to collect sales taxes from online sales shortly before the pandemic began likely provided a significant boost to collections.

While growth has on average remained high statewide, it is important for local governments to consider their local circumstances when making projections. There is a large range in performance across all NC counties; the map on the following page illustrates this variance, with darker shaded counties collecting above the statewide average, and lighter shaded counties collecting below it. We strongly suggest local governments take this context into account when utilizing our projections to modify and finalize their own.
Aside from economic conditions, sales tax refunds distributed to nonprofits and governments are a major factor affecting local variation in sales tax distributions. Eligible entities have up to three years to submit for refunds, and DOR typically processes them as they are filed while maintaining discretion to avoid adversely affecting local government’s net collections where possible. This lack of a clear timeline creates major volatility; halfway through any given fiscal year, distributed refunds have made up anywhere between 44-60% of total refunds for the entire fiscal year.

Shown in the below chart, as of Q2 in FY22-23, refunds are comprising approximately 4.31% of net collections, the lowest ratio in several fiscal years. Another factor to monitor is DOR’s recent communication to local governments that due to a processing error, the April 2023 distribution will not have any refunds present, and those missing refunds will be reflected in the May 2023 distribution. Due to the current relatively low refund total and this additional uncertainty, we caution local governments to act conservatively when projecting their anticipated refunds and collections for the rest of the fiscal year.

Over the last couple of years, local governments, economists, and forecasters have remained puzzled about why sales tax growth in North Carolina has not slowed. While some of the economic factors we outlined earlier in this report may cause concern, the fact remains that consumer spending has stayed strong while inflation has grown. Thus, we are cautiously optimistic that sales tax will remain somewhat resilient pending a new catastrophic or unforeseen event such as a recession or pandemic. Taking into
account recent trends and data, as well as the various factors described in this memo, **we anticipate at this time that sales tax will finish FY22-23 at 11.0% over FY21-22.**

Looking ahead, while economists increasingly worry about a potential recession, North Carolina remains resilient and in a position to weather economic storms compared to the U.S. as a whole. Current signs point to a potential slowdown in sales tax growth rather than a reduction in collections, and **our projection for FY23-24 is growth of 6.3% over FY22-23.**

As emphasized earlier in this document, these projections are meant to act as a rough guide for statewide collections. Local governments should consider factors such as your local economy, industries, and anticipated growth when utilizing these projections.
3.2 Utility Sales Taxes

For the purpose of analyzing electricity, natural gas, telecommunications, and video programming quarterly distributions, we assume that the fiscal year accrual begins with the distribution received by local governments in December; this is synonymous with the distribution covering DOR’s “collection quarter” ending in September. See the League’s Basis of Distribution Memo for the recent history of how this revenue is distributed.

3.2.1 Electricity Sales Tax

Electricity sales tax is a generally stable revenue source, typically only fluctuating a small percentage each year. Price and consumption both play a role in year-over-year growth. Average electricity prices in North Carolina have risen this year, while consumption has ebbed and flowed, leading to a slight increase in collections compared to this time last year.

The Energy Information Administration (EIA) projects electricity prices in the South Atlantic to rise slightly and flatten out over the next three years. With rates and consumption projected to trend upward through the remainder of the fiscal year, we project that statewide electricity sales tax revenue for FY22-23 will end 2.1% higher than FY21-22. Based on available data, we expect slight growth in this revenue source to continue and project that electricity sales tax revenue will increase by 1.0% in FY23-24.

As always, weather remains one of the largest contributing factors to consumption and revenue trends. For example, the mild winter that North Carolina experienced in late 2022 and early 2023 could have an adverse effect on upcoming collections. To illustrate the relationship between weather and collections, the below graphs show the relationship between spikes in collections and cooling degree days by quarter.
A Note on Temperature Data: We assume that electricity bill payment occurs one month prior to utilities remitting the tax to DOR (the collection month). We also assume that electricity consumption occurs one month prior to the bill payment. Therefore, the temperature data used in our analysis is offset by two months. For example, temperatures in May, June, and July would affect the distribution for DOR’s July, August, and September collection quarter.

Please remember that local fluctuations in electricity consumption or population will not affect your distribution. Any excess revenues over those generated statewide in FY13-14 are distributed based on your city’s percentage of total property taxes levied. As such, changes in your property tax rate or base could affect the ad valorem distribution of any excess revenues, but the change would have to be extremely significant to materially affect the statewide calculation.
3.2.2 Piped Natural Gas Sales Tax

Piped natural gas tax distributions tend to fluctuate more dramatically than electricity sales tax distributions or other utilities which follow a clear trend, and are thus more difficult to predict.

The first half of FY23 has seen a large year-over-year increase in natural gas distributions, with current figures 53.2% ahead of last year’s first half. It is also important to note that the first two quarters of collections typically reflect between 25-30% of total collections for the year. High volatility in distribution amounts over the past few years, coupled with a strong correlation with unpredictable weather patterns, make future distributions of this revenue source highly uncertain. Information from the EIA indicates that natural gas prices in the South Atlantic are forecasted to decrease modestly in 2023 and 2024.

As with electricity taxes, prices and consumption, largely driven by weather, are the main factors affecting piped natural gas tax distributions. As described earlier in the electricity tax section, temperatures in November, December and January will affect the natural gas consumption seen in the next distribution covering tax collected during the third quarter ending in March. This year, the heating degree days for the months affecting the next distribution are down by 7.3%.

Based on these forecasts and other available data, we project a 37.4% increase in natural gas sales tax revenues in FY22-23 and a slight decrease of 3.8% for FY23-24.

Because any future adjustments to this distribution will be made based on statewide property tax levies, it will not be affected by any changes in current users of natural gas in your town or on any population gains or losses you experience.
3.2.3 Telecommunications Sales Tax

Annual telecommunications tax distributions have seen a rapid decline over the last several years, driven by changes in consumer behavior such as households continuing to abandon landlines. For example, data from the CDC show that the vast majority of adults in various age groups live in wireless-only households, and even the AARP have encouraged their membership to switch to wireless connections in order to save money.

Based on the first two quarters of FY23 and prior trends, we expect that annual statewide telecommunications revenues for FY22-23 will remain nearly flat with a slight decrease of .03%, and at this time, we expect a sharper decline of 9.4% in FY23-24.

![Telecommunications Tax Distributions and YoY Changes](image)

For cities and towns incorporated before July 1, 2001, the distribution of this revenue is based on each municipality’s past share of the old telephone franchise tax, so there should be no local economic adjustments to the statewide growth estimate. These cities and towns will also be unaffected by any population changes. For towns incorporated on or after July 1, 2001, the distribution is based on population, so some local variation from the statewide percentage is possible, and differences between annual Certified Population estimates will affect distributions.
3.2.4 Local Video Programming Tax

Video programming tax, which is primarily driven by cable providers, has seen a sustained, moderate decline in recent years. While the rate of this decline slowed between FY19 and FY22, we expect a slightly larger drop through the end of FY23. The overall decline is primarily attributable to cable TV customers “cutting the cord” in favor of streaming services. The number of customers abandoning traditional cable services in favor of streaming options continues to increase, with large companies losing 5.8 million subscribers in 2022 compared to 4.7 million in 2021. Overall, as shown in the below graph, we expect that statewide annual distributions will decrease by 4.7% in FY23, and by another 2.9% in FY24.

Cities with qualifying Public, Educational, and Governmental (PEG) channels are entitled to supplemental PEG channel support funds for up to three channels. These funds must be provided to the organization that operates the channel. Factors that affect PEG funding include the total number of PEG channels and any returns of PEG channel money. We do not expect these factors to change materially next fiscal year. To receive supplemental PEG channel funds, you must certify your PEG channels to DOR each year by July 15. The 2023 certification forms will be available on the DOR website here: https://www.ncdor.gov/documents/tr-peg-cable-peg-channel-certification.
3.3 **Solid Waste Disposal Tax**

The State levies a $2 per-ton “tipping tax” on municipal solid waste and construction and demolition debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside the state. Cities and counties each receive 18.75% of the tax, and revenues are distributed on a per capita basis. Over the last decade, the annual distribution has generally increased consistently with an occasional spike.

Collections for the first half of FY23 have been strong, with Q2’s collections coming in at a historical high. Considering these actuals and prior trend data, we are projecting growth of **6.9% in FY23**, with a return to usual growth of approximately **2.0% in FY24**. Because these distributions are based on population, it is also important to incorporate your municipality’s anticipated growth relative to others into your local projection.

Activity within the construction sector is one of the largest contributing factors to solid waste revenue. As noted in our economic overview at the beginning of this document, growth in housing starts and building permits around the state remain strong year over year despite some slowing. A 2023 survey from the Carolinas chapter of the Associated General Contractors of America showed mixed to positive outlook in the construction industry, with employee headcounts expected to increase and hiring expected to remain easy compared to the U.S. as a whole. We also anticipate that infrastructure spending fueled by the American Rescue Plan and other federal funding could continue to stimulate this industry.
3.4 Alcoholic Beverages Tax

The alcoholic beverage tax is an excise tax paid by the producers of alcohol based on their sales of alcohol in North Carolina. A portion of taxes collected are distributed by DOR to municipalities based on population. These revenues are collected during a period of April through March of the following year, with revenues typically distributed to municipalities by June. Growth in this distribution is dependent on the proportion of beer and wine sold in North Carolina, which are taxed in different amounts. An excise tax of 61.71¢ per gallon is levied on the sale of beer. An excise tax of 26.34¢ per liter is levied on the sale of unfortified wine, and an excise tax of 29.34¢ per liter is levied on the sale of fortified wine.

While FY22 saw a decrease of 4.6% over FY21, with potential explanations being an increased demand for spirituous liquor and pandemic-related restrictions cutting into production and sales for beer and wine, current FY23 sales data indicate a rebound. These revenues typically fluctuate within a few percentage points, which could be due in part to the percentage of U.S. adults who drink alcohol remaining relatively consistent over time.

The 2023 alcoholic beverage tax distribution has yet to be released at the time this report was published, as DOR is awaiting the final quarter of collections. However, after reviewing available data and consulting with DOR, we project that the upcoming annual distribution for the period of April 2022 through March 2023 will increase by approximately 4.6% compared to last year’s distribution. Additionally, we project that FY24 revenues will reflect more usual, pre-pandemic growth, with an increase of approximately 2.1%.

Because these distributions are based on population, it is also important to incorporate your municipality’s anticipated growth relative to others into your local projection.
3.5 **POWELL BILL**

State Street-Aid (Powell Bill) funds are distributed to eligible municipalities twice a year in October and January. The FY23 distribution started with the same base amount, $154,875,000, as FY22’s distribution. Additional allocations beyond this amount are made up of case-by-case adjustments to individual municipalities. The below graph summarizes overall Powell Bill distribution trends:

Of the total annual distribution of Powell Bill funds, 75% is allocated among eligible cities based on population, and 25% is based on mileage. Statutory language around the Powell Bill budget currently in place specified that cities with a population over 400,000 would receive the same amount of Powell Bill funds that they did in FY20-21, when the state appropriation was reduced due to concerns about transportation revenues in the wake of the COVID-19 pandemic. In effect, this means that the Powell Bill distribution for the cities of Charlotte and Raleigh has been frozen at FY20-21 levels, and the increase in the Powell Bill appropriation is shared between the remaining cities in the program.

At the time of this report’s release, the state of Powell Bill funding for FY24 is uncertain. The North Carolina House of Representatives’ budget released on March 30th, 2023 included a revised Powell Bill budget of $170.4 million in FY24 and $185.9 million in FY25 while maintaining the aforementioned freeze on municipalities with a population above 400,000. This budget must still be negotiated with the North Carolina Senate and signed by the Governor, so it is unclear whether these figures will be signed into law. The League will communicate updates and associated projections to our members in the coming months.
Many state-collected revenue distributions depend on accurate municipal boundary information, either to calculate populations or to determine utility sales within the municipality. It is the responsibility of individual municipalities to notify all appropriate organizations as soon as possible of any changes in their boundaries. The list of organizations you are required to provide with a revised boundary map and a copy of your annexation ordinance includes: 1) the Register of Deeds, Tax Assessor, Board of Elections, and GIS department for any county in which your municipality is located; 2) the Secretary of State; and 3) all gas and electric companies that have customers in your city or town. Failing to provide this information in a timely manner could result in lost revenue for your municipality. Do not send copies of your annexation maps to DOR, as this is no longer is required.

In addition, your municipality should respond to the Annexation Survey included as part of the State Demographer’s annual North Carolina Demographic Survey (NCDS), which can be found online at https://ncds.osbm.nc.gov/. In addition to information about annexations, the survey includes questions on group quarters and residential building activity. A letter will be mailed to all municipalities in the first part of May to confirm the current municipal point of contact for completing the annual survey. An email will then be sent to the designated point of contact for each municipality by June 30th directing them to the online survey. The Certified Population Estimates – used for revenue distributions – estimate the 2022 population living in areas annexed on or before July 1, 2023. The State Demographer cannot include these populations if the annexations have not been reported through the survey.

The NC Geographic Information Coordinating Council (GICC) has established an online Municipal Boundaries tool that will provide an authoritative boundary resource and eventually answer BAS and other surveys without bothering the local governments. The Municipal Boundaries tool allows local governments to verify their boundaries at any time. The tool allows local governments to submit annexation and boundary correction information as well. We encourage all local governments to verify their contact information and boundaries as soon as possible. At the moment, local governments should respond to boundary surveys they receive as well as using the Municipal Boundaries tool. When the verification process is more complete, the new tool will respond to most boundary needs from most state and federal agencies. Local governments can verify their boundary information in the Municipal Boundary Tool.

**Concerned with your municipality’s 2020 Census results?**

If you have discovered that housing units or congregant housing facilities (group quarters) were missed from your municipality’s 2020 Census count, there is still a short window of time to ask for a review through the US Census Bureau’s Count Question Resolution (CQR) program. Until June 30, 2023, the US Census Bureau will accept cases regarding missing housing units, group quarters facilities, and municipal boundaries. You can find out more in OSBM’s May 2022 blog post: Six Things to Know Before You Challenge 2020 Census Results | NC OSBM, or contact NC Census Liaison Bob Coats or State Demographer Mike Cline at NC OSBM for additional questions.
5 Department of Revenue Contact List

Listed below are the appropriate contacts at DOR for questions regarding municipal concerns.

- Questions about the amount of revenue included in a distribution – Veronica Pace, Distribution Unit; or Tony Garrett, Justin Hunter, Kay D. Walford-Simpson, Distribution Unit, (919) 814-1118.

- Questions about the status of a municipality’s sales tax refund – Veronica Pace, Distribution Unit; or Tony Garrett, Justin Hunter, Kay D. Walford-Simpson, Distribution Unit, (919) 814-1118.

- Questions about the allocation of sales tax refunds to a municipality – Veronica Pace, Distribution Unit; or Tony Garrett, Justin Hunter, Kay D. Walford-Simpson, Distribution Unit, (919) 814-1118.

- Interpretation of sales tax laws – Andrew Furuseth, Director, Sales and Use Tax Division, (919) 608-1115.

- Requests for a list of claimants that received a sales tax refund in a county in which the city is located – Veronica Pace, Distribution Unit; or Tony Garrett, Justin Hunter, Kay D. Walford-Simpson, Distribution Unit, (919) 814-1118.

- Requests for a list of businesses that paid sales tax and may be engaged in a business subject to a food and beverages tax, room occupancy tax, vehicle rental tax, or heavy equipment rental – Veronica Pace, Distribution Unit; or Tony Garrett, Justin Hunter, Kay D. Walford-Simpson, Distribution Unit, (919) 814-1118.

- Requests for statistical data related to local taxes – George Hermane, Information Unit, (919) 814-1129.

- Requests for statistical data related to state-collected taxes – McKinley Wooten, Assistant Secretary for Tax Research & Equity, (919) 814-1092.

- To change the email address at which you receive notification of distributions – Distribution Unit, (919) 814-1118. If you have failed to receive an email notification of your distributions, do not contact DOR, but instead call the Office of the State Controller at (919) 707-0795.