

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 314

Short Title: Insufficient Fund Tax Payment Fee Mod. (Public)

Sponsors: Senators Mayfield and Daniel (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 16, 2023

A BILL TO BE ENTITLED

AN ACT TO CREATE A THIRTY-FIVE DOLLAR PENALTY FOR A TAX PAYMENT
THAT IS RETURNED FOR INSUFFICIENT FUNDS OR NONEXISTENCE OF AN
ACCOUNT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-357(b)(2) reads as rewritten:

"(2) Penalty. – In addition to interest for nonpayment of taxes provided by G.S. 105-360 and in addition to any criminal penalties provided by law, the penalty for presenting in payment of taxes a check or electronic funds transfer that is returned or not completed because of insufficient funds or nonexistence of an account of the drawer or transferor is ~~twenty-five dollars (\$25.00) or ten percent (10%) of the amount of the check or electronic invoice, whichever is greater, subject to a maximum of one thousand dollars (\$1,000).~~ thirty-five dollars (\$35.00). This penalty does not apply if the tax collector finds that, when the check or electronic funds transfer was presented for payment, the drawer of the check or transferor of funds had sufficient funds in an account at a financial institution in this State to make the payment and, by inadvertence, the drawer of the check or transferor of the funds failed to draw the check or initiate a transfer on the account that had sufficient funds. This penalty shall be added to and collected in the same manner as the taxes for which the check or electronic payment was given."

SECTION 2. This act is effective July 1, 2023, and applies to checks or electronic funds transfers presented for payment of taxes on or after that date.

