



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

JANET COWELL
TREASURER

T. VANCE HOLLOMAN
DEPUTY TREASURER

MEMORANDUM #2010-8

TO: County and Municipal Officials and Their Independent Auditors
FROM: Sharon Edmundson, Director, Fiscal Management
SUBJECT: Changes in Local Government Share of Beer and Wine Taxes
DATE: August 18, 2009

The newly adopted State budget includes a provision that reduces the county and municipal share of beer and wine tax revenues for the 2009-2010 fiscal year. While the General Assembly increased the amount of tax assessed on beer and wine sales, it also changed the distribution formula as well. As a result, counties and municipalities will receive only one third of what they had previously expected to receive this year, resulting in a \$22 million decrease in total beer and wine tax payments to local governments in North Carolina. This reduction will be reflected in the May, 2010 distribution.

This reduction is a one-time adjustment made by the General Assembly as part of the State budget process for the 2010-2012 biennium. The State's budget currently calls for funding levels to be restored for the May, 2011 distribution.

Please review your county and municipal budgets and adjust your revenue expectations accordingly. If the loss of revenue will impact your appropriations, your annual budget should be amended to reflect the adjustments.

If you have any questions about this issue, please contact Sharon Edmundson at (919) 807-2381 or via email at sharon.edmundson@nctreasurer.com.