

# Local Nonproperty Taxes and the Coordinating Role of the State, | 1961 | United States. Advisory Commission on Intergovernmental Relations | The Commission, 1961

The role of direct and indirect taxes in the federal revenue system : a conference [at the Brookings Inst. in Washington on October 17 and 18, 1963] report. Due, John F., (1964). Microeconomics. Clower, Robert W., (1972). Indirect taxation in developing economies : the role and structure of customs duties, excises, and sales taxes. Due, John F., (1970). More A service of the. zbw. Sitemap. Contact us. Imprint. Privacy. —. Ra = Tax rate E = planned local government expenditure for the budget year, T = expected nonproperty tax revenue in that year, Aa = taxable (or net assessed) value of property in the lowest rate class, Ab = taxable (or net assessed) value of property in a higher rate class, and Wb = intended multiple of the statutory rate applied to the lowest rate class that this rate. State-wide credit or rebate for property taxes that exceeds some specified % of the tax payers income. The credit/rebate kicks in when the taxpayer becomes overloaded. Were devised to prevent senior citizens with high valued homes from losing their houses while in retirement. Circuit Breaker effects. Circuit breakers reduce the marginal cost of property tax increases for taxpayers who receive less than the maximum. Widespread complaints persisted that the rate of taxation on nonproperty income was too low compared to the rate on property income. In 1903 the State Tax Commission recommended a remedy to this alleged inequity: the state would relinquish use of the property tax, leaving it solely as a local tax source and thus eliminating the incentive for counties to underassess property. In 1921 the General Assembly reformulated the state tax system under the principle that the sources of state and local taxes should be separate. To replace property tax revenues, it enacted a state-administered personal income tax and a corporation income tax, then created the North Carolina Department of Revenue to administer, enforce, and collect the new taxes.