
Government Affairs Update



North Carolina Association of REALTORS®, Inc.

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Grounds

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North Carolina News: **Privilege License Tax**

Each licensed real estate agent must pay \$50 each year to engage in the real estate business. Governor Perdue's budget has proposed raising that tax from \$50 to \$200 per year. The budget is now before the General Assembly for their debate and negotiation. It starts in the Senate and, once approved, will be discussed by the House. It does not appear that the Senate will include this tax raise in their budget and we are working to ensure that the raise stays out of the Senate's proposal. The N.C. Ass'n of REALTORS® is opposed to this dramatic increase in fees and have formed a coalition of all affected professionals to fight the increase.

School Calendar

It is no joke – on Wednesday, April 1st two bills aimed at allowing various counties to begin classes earlier than the state mandated August 25th of each year were defeated by 8-5 margins. **Rep. Haire's (D-Haywood) bill, HB 483 (School Calendar Flexibility/Some LEAs)**, <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H483v1.pdf>, would have allowed six mountain counties to begin classes as early as August 11th each year. **HB 499 (School Calendar Flexibility/2 LEAs)**, <http://www.ncga.state.nc.us/Sessions/2009/Bills/House/PDF/H499v1.pdf>, introduced by various members from the Buncombe County and Asheville area was also defeated by the same margin.

Additional bills were filed this week to allow other local school boards to change the school calendars in their areas. The NC Association of REALTORS® and our vacation rental managers are working with a coalition of other groups to defeat these measures as well.

National News:

Mortgage Interest Deduction – Limits Not Included in Proposed Budget

The proposal in the Administration's FY 2010 budget to limit itemized deductions, including the mortgage interest deduction, for upper income taxpayers has found no champions in either the House or the Senate. The House and Senate Budget Committees have met to formulate a Budget Resolution to provide a guide for revenues and spending. NAR had been concerned that the Budget Resolution might include references to the Administration's proposal to use a portion of the mortgage interest deduction as a means of setting aside funds to "pay for" revisions to the health insurance and health care systems. In the end, neither the House nor the Senate included any reference to the proposal. The proposed Budget Resolutions did direct the tax-writing committees to set aside reserves for funding health care reform, but left the challenge of identifying the payment mechanism to the tax writers.