

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1092*

Short Title: Reduce Farm/Industry Fuel Tax.

(Public)

Sponsors: Representatives Creech; Alexander, Allred, Arnold, Berry, Bowie, Buchanan, Cansler, Capps, Church, Clary, Cole, Crawford, Davis, Dedmon, Eddins, Fox, Hall, Hightower, Hill, Ives, Kiser, McMahan, Mercer, Mitchell, Moore, Nichols, Russell, Sexton, Smith, Starnes, Tolson, Warwick, and Wilkins.

Referred to: Agriculture, if favorable, Finance.

April 21, 1997

A BILL TO BE ENTITLED
AN ACT TO PHASE DOWN THE SALES TAX ON ELECTRICITY AND PIPED
NATURAL GAS USED IN FARMING AND MANUFACTURING.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.4(a)(1f) reads as rewritten:

"(1f) The ~~rate of two and eighty-three hundredths percent (2.83%)~~ applicable rate provided in the table below applies to the sales price of electricity and piped natural gas described in this subdivision and measured by a separate meter or another device:

<u>Effective Date</u>	<u>Rate</u>
<u>August 1, 1996</u>	<u>2.83%</u>
<u>July 1, 1997</u>	<u>2.67%</u>
<u>July 1, 1998</u>	<u>2.34%</u>
<u>July 1, 1999</u>	<u>2%</u>
<u>July 1, 2000</u>	<u>1.67%</u>
<u>July 1, 2001</u>	<u>1.34%</u>
<u>July 1, 2002</u>	<u>1%</u>

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- 1 a. Sales of electricity and piped natural gas to farmers to be
2 used by them for any farm purposes other than preparing
3 food, heating dwellings, and other household purposes.
4 The quantity of electricity or gas purchased or used at any
5 one time shall not be a determinative factor as to whether
6 its sale or use is or is not subject to the rate of tax
7 provided in this subdivision.
- 8 b. Sales of electricity and piped natural gas to manufacturing
9 industries and manufacturing plants for use in connection
10 with the operation of the industries and plants other than
11 sales of electricity and gas to be used for residential
12 heating purposes. The quantity of electricity or gas
13 purchased or used at any one time shall not be a
14 determinative factor as to whether its sale or use is or is
15 not subject to the rate of tax provided in this subdivision.
- 16 c. Sales of electricity and piped natural gas to commercial
17 laundries or to pressing and dry-cleaning establishments
18 for use in machinery used in the direct performance of the
19 laundering or the pressing and cleaning service."

20 Section 2. Effective July 1, 2002, G.S. 105-164.4(a)(1c) reads as rewritten:

21 "(1c) The rate of one percent (1%) applies to the sales price of the
22 following articles:

- 23 a. Horses or mules by whomsoever sold.
- 24 b. Semen to be used in the artificial insemination of animals.
- 25 c. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel
26 and electricity to farmers to be used by them for any farm
27 purposes other than preparing food, heating dwellings and
28 other household purposes. The quantity of fuel or
29 electricity purchased or used at any one time shall not ~~in~~
30 ~~any manner~~ be a determinative factor as to whether ~~any~~ its
31 sale or use ~~of fuel~~ is or is not subject to the one percent
32 (1%) rate of tax ~~imposed herein.~~ provided in this
33 subdivision.
- 34 d. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel
35 and electricity to manufacturing industries and
36 manufacturing plants for use in connection with the
37 operation of ~~such~~ these industries and plants other than
38 sales of ~~fuels~~ fuel or electricity to be used for residential
39 heating purposes. The quantity of fuel or electricity
40 purchased or used at any one time shall not ~~in any manner~~
41 be a determinative factor as to whether ~~any~~ its sale or use
42 ~~of fuel~~ is or is not subject to the rate of tax provided in this
43 subdivision.

- 1 e. Sales of ~~fuel, other than electricity or piped natural gas, fuel~~
2 and electricity to commercial laundries or to pressing and
3 dry-cleaning establishments for use in machinery used in
4 the direct performance of the laundering or the pressing
5 and cleaning service.
6 f. Sales to freezer locker plants of wrapping paper, cartons
7 and supplies consumed directly in the operation of such
8 plant."

9 Section 3. Effective July 1, 2002, G.S. 105-164.4(a)(1f) is repealed.

10 Section 4. This act does not affect the rights or liabilities of the State, a
11 taxpayer, or another person arising under a statute amended or repealed by this act before
12 the effective date of its amendment or repeal; nor does it affect the right to any refund or
13 credit of a tax that accrued under the amended or repealed statute before the effective
14 date of its amendment or repeal.

15 Section 5. Sections 2 and 3 of this act become effective July 1, 2002, and
16 apply to sales made on or after that date. The remainder of this act becomes effective
17 July 1, 1997, and applies to sales made on or after that date.