

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 687

Short Title: Reduce Farm/Industry Fuel Tax.

(Public)

Sponsors: Senators Rand; Gulley and Hoyle.

Referred to: Finance.

April 3, 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>

a. Sales of electricity and piped natural gas to farmers to be used by them for any farm purposes other than preparing food, heating dwellings, and other household purposes.

1 The quantity of electricity or gas purchased or used at any
2 one time shall not be a determinative factor as to whether
3 its sale or use is or is not subject to the rate of tax
4 provided in this subdivision.

5 b. Sales of electricity and piped natural gas to manufacturing
6 industries and manufacturing plants for use in connection
7 with the operation of the industries and plants other than
8 sales of electricity and gas to be used for residential
9 heating purposes. The quantity of electricity or gas
10 purchased or used at any one time shall not be a
11 determinative factor as to whether its sale or use is or is
12 not subject to the rate of tax provided in this subdivision.

13 c. Sales of electricity and piped natural gas to commercial
14 laundries or to pressing and dry-cleaning establishments
15 for use in machinery used in the direct performance of the
16 laundering or the pressing and cleaning service."

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

18 "(1c) The rate of one percent (1%) applies to the sales price of the
19 following articles:

20 a. Horses or mules by whomsoever sold.

21 b. Semen to be used in the artificial insemination of animals.

22 c. Sales of ~~fuel, other than electricity or piped natural gas, fuel~~
23 and electricity to farmers to be used by them for any farm
24 purposes other than preparing food, heating dwellings and
25 other household purposes. The quantity of fuel or
26 electricity purchased or used at any one time shall not ~~in~~
27 ~~any manner~~ be a determinative factor as to whether ~~any~~ its
28 sale or use ~~of fuel~~ is or is not subject to the one percent
29 (1%) rate of tax ~~imposed herein. provided in this~~
30 subdivision.

31 d. Sales of ~~fuel, other than electricity or piped natural gas, fuel~~
32 and electricity to manufacturing industries and
33 manufacturing plants for use in connection with the
34 operation of ~~such~~ these industries and plants other than
35 sales of ~~fuels~~ fuel or electricity to be used for residential
36 heating purposes. The quantity of fuel or electricity
37 purchased or used at any one time shall not ~~in any manner~~
38 be a determinative factor as to whether ~~any~~ its sale or use
39 ~~of fuel~~ is or is not subject to the rate of tax provided in this
40 subdivision.

41 e. Sales of ~~fuel, other than electricity or piped natural gas, fuel~~
42 and electricity to commercial laundries or to pressing and
43 dry-cleaning establishments for use in machinery used in

1 the direct performance of the laundering or the pressing
2 and cleaning service.
3 f. Sales to freezer locker plants of wrapping paper, cartons
4 and supplies consumed directly in the operation of such
5 plant."

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

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

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