



1 c. Would be considered mill machinery under G.S. 105-187.51 if it  
2 were purchased by a manufacturing industry or plant and used in the  
3 research and development of tangible personal property  
4 manufactured by the industry or plant.

5 (4) An industrial machinery refurbishing company that is included in industry  
6 group 811310 of NAICS and that purchases equipment or an attachment or  
7 repair part for equipment that meets all of the following requirements:

8 a. Is capitalized by the company for tax purposes under the Code.

9 b. Is used by the company in repairing or refurbishing tangible personal  
10 property.

11 c. Would be considered mill machinery under G.S. 105-187.51 if it  
12 were purchased by a manufacturing industry or plant and used by the  
13 industry or plant to manufacture tangible personal property.

14 (5) A company located at a ports facility for waterborne commerce that  
15 purchases specialized equipment to be used at the facility to unload or  
16 process bulk cargo to make it suitable for delivery to and use by  
17 manufacturing facilities.

18 (b) Rate. – The tax is one percent (1%) of the sales price of the equipment or other  
19 tangible personal property. The maximum tax is eighty dollars (\$80.00) per article."

20 **SECTION 2.** Article 5F of Chapter 105 of the General Statutes is amended by  
21 adding a new section to read:

22 **"§ 105-187.51D. Tax imposed on machinery at large manufacturing and distribution**  
23 **facility.**

24 (a) Definition. – For the purposes of this section, a 'large manufacturing and distribution  
25 facility' is a facility used primarily for manufacturing or assembling products and distributing  
26 finished products for which the Secretary of Commerce makes a certification that an  
27 investment of private funds of at least one hundred twenty-five million dollars (\$125,000,000)  
28 has been or will be made in real and tangible personal property for the facility within five years  
29 after the date on which the first property investment is made and that the facility will achieve  
30 an employment level of at least 1,130 within two years after the date the facility is placed into  
31 service and maintain that minimum level of employment throughout its operation.

32 (b) Tax. – A privilege tax is imposed on a large manufacturing and distribution facility  
33 that purchases mill machinery, distribution machinery, or parts or accessories for mill  
34 machinery or distribution machinery for storage, use, or consumption in this State. The tax is  
35 one percent (1%) of the sales price of the machinery, part, or accessory purchased. The  
36 maximum tax is eighty dollars (\$80.00) per article. As used in this section, the term  
37 'accessories' does not include electricity.

38 (c) Forfeiture. – If the required level of investment or employment to qualify as large  
39 manufacturing and distribution facility is not timely made, achieved, or maintained, then the  
40 rate provided under this section is forfeited. A taxpayer that forfeits a rate under this section is  
41 liable for all past sales and use taxes avoided as a result of the forfeiture, computed at the  
42 applicable State and local rates from the date the taxes would otherwise have been due, plus  
43 interest at the rate established under G.S. 105-241.21. Interest is computed from the date the  
44 sales or use tax would otherwise have been due. A credit is allowed against the State sales or  
45 use tax owed as a result of the forfeiture provisions of this subsection for privilege taxes paid  
46 pursuant to this section. For purposes of applying this credit, the fact that payment of the  
47 privilege tax occurred in a period outside the statute of limitations provided under  
48 G.S. 105-241.6 is not considered. The credit reduces the amount forfeited, and interest applies  
49 only to the reduced amount. The past taxes and interest are due 30 days after the date of  
50 forfeiture. A taxpayer that fails to pay the past taxes and interest by the due date is subject to  
51 the provisions of G.S. 105-236.

- 1       (d)    Sunset. – This section expires for sales occurring on or after July 1, 2018."  
2            **SECTION 3.** This act becomes effective July 1, 2013, and applies to purchases  
3 made on or after that date.