

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 654

Short Title: Repeal Soft Drink Tax.

(Public)

Sponsors: Senators Kaplan; and Smith.

Referred to: Finance.

March 31, 1993

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE EXCISE TAX ON SOFT DRINKS.

The General Assembly of North Carolina enacts:

Section 1. Article 2B of Chapter 105 of the General Statutes is repealed.

Sec. 2. G.S. 105-164.3(16) reads as rewritten:

"(16) Except as provided in paragraph f., 'sales price' means the total amount for which tangible personal property is sold including charges for any services that go into the fabrication, manufacture or delivery of such tangible personal property and that are a part of the sale valued in money whether paid in money or otherwise and includes any amount for which credit is given to the purchaser by the seller without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest charged, losses or any other expenses whatsoever. Provided, however, that where a manufacturer, producer or contractor erects, installs or affixes tangible personal property upon real property pursuant to a construction or performance-type contract with or for the benefit of the owner of such real property, the sales price shall be the cost of such property to the manufacturer, producer or contractor performing the contract. Provided, further:

- a. The cost for labor or services rendered in erecting, installing or applying property sold when separately charged shall not be included as a part of the 'sales price';

- 1 b. Finance charges, service charges or interest from credit
2 extended under conditional sales contracts or other conditional
3 contracts providing for deferred payments of the purchase price
4 shall not be considered a part of the 'sales price' when
5 separately charged;
- 6 c. 'Sales price' shall not include the amount of any tax imposed by
7 the United States upon or with respect to retail sales whether
8 imposed upon the retailer or consumer except that any
9 manufacturers' or importers' excise tax shall be included in the
10 term.
- 11 d. 'Sales price' shall not include any amounts charged as deposits
12 on beverage containers which are returnable to vendors for
13 reuse and which amounts are refundable or creditable to
14 vendees, whether or not said deposits are separately charged.
- 15 e. 'Sales price' shall not include amounts charged as deposits on
16 automotive, industrial, marine and farm replacement parts
17 which are returnable to vendors for rebuilding or
18 remanufacturing and which amounts are refundable or
19 creditable to vendees, whether or not such deposits are
20 separately charged. This subsection shall not be construed to
21 include tires and batteries.
- 22 f. The sales price of tangible personal property sold through a
23 coin-operated vending machine, other than closed-container soft
24 drinks formerly subject to excise tax under former Article 2B of
25 this Chapter (repealed) or tobacco products, is considered to be
26 fifty percent (50%) of the total amount for which the property is
27 sold in the vending machine."

28 Sec. 3. This act does not affect the rights or liabilities of the State, a taxpayer,
29 or another person arising under a statute repealed by this act before its repeal; nor does
30 it affect the right to any refund or credit of a tax that would otherwise have been
31 available under the repealed statute before its repeal.

32 Sec. 4. This act becomes effective July 1, 1993.