

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE BILL 1197

Short Title: Utility Equipment Trade-In Allowance. (Public)

Sponsors: Representative Lewis.

Referred to: Finance.

April 10, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO SUBTRACT ANY TRADE-IN ALLOWANCE WHEN COMPUTING
3 SALES TAX ON LIGHT UTILITY EQUIPMENT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-164.3 is amended by adding a new subdivision to
6 read:

7 "**§ 105-164.3. Definitions.**

8 The following definitions apply in this Article:

9 ...

10 (17b) Light utility equipment. – Equipment that is self-propelled, has an
11 engine of no more than 160 net horsepower, and is not designed
12 primarily for transportation or recreation."

13 **SECTION 2.** G.S. 105-164.3(37) reads as rewritten:

14 "(37) Sales price. – The total amount or consideration for which personal
15 property or services are sold, leased, or rented. The consideration may
16 be in the form of cash, credit, property, or services. The sales price
17 must be valued in money, regardless of whether it is received in
18 money.

19 a. The term includes all of the following:

- 20 1. The retailer's cost of the property sold.
- 21 2. The cost of materials used, labor or service costs,
22 interest, losses, all costs of transportation to the retailer,
23 all taxes imposed on the retailer, and any other expense
24 of the retailer.
- 25 3. Charges by the retailer for any services necessary to
26 complete the sale.
- 27 4. Delivery charges.
- 28 5. Installation charges.

1 6. The value of exempt personal property given to the
2 consumer when taxable and exempt personal property
3 are bundled together and sold by the retailer as a single
4 product or piece of merchandise.

5 b. The term does not include any of the following:

6 1. Discounts, including cash, term, or coupons, that are not
7 reimbursed by a third party, are allowed by the retailer,
8 and are taken by a consumer on a sale.

9 2. Interest, financing, and carrying charges from credit
10 extended on the sale, if the amount is separately stated
11 on the invoice, bill of sale, or a similar document given
12 to the consumer.

13 3. Any taxes imposed directly on the consumer that are
14 separately stated on the invoice, bill of sale, or similar
15 document given to the consumer.

16 4. In the case of a sale of light utility equipment, the
17 amount of any allowance given by the retailer for light
18 utility equipment taken in trade as a partial payment for
19 the sold equipment, not to exceed the fair market value
20 of the traded equipment."

21 **SECTION 3.** This act becomes effective July 1, 2003, and applies to sales
22 made on or after that date.