

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 479

Short Title: Reduce Construction Equipment Tax. (Public)

Sponsors: Representatives Sutton; and Hall.

Referred to: Finance.

March 13, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO REDUCE SALES TAXES ON CONSTRUCTION EQUIPMENT.

3 The General Assembly of North Carolina enacts:

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

6 "**§ 105-164.3. Definitions.**

7 The following definitions apply in this Article:

8 . . .

9 (4b) Construction equipment. – Equipment that is self-propelled and is not
10 designed primarily for transportation, housing, or recreation."

11 **SECTION 2.** G.S. 105-164.4(a) is amended by adding a new subdivision to
12 read:

13 "**§ 105-164.4. Tax imposed on retailers.**

14 (a) **(Effective until July 1, 2003)** A privilege tax is imposed on a retailer at the
15 following percentage rates of the retailer's net taxable sales or gross receipts, as
16 appropriate. The general rate of tax is four and one-half percent (4 1/2%).

17 . . .

18 (8) The general rate of tax applies to the sales price of construction
19 equipment sold at retail, including all accessories attached to the
20 equipment when it is delivered to the purchaser. The maximum tax is
21 six hundred dollars (\$600.00) per article. The maximum tax provided
22 in this subdivision applies only to the taxes levied in this Article and
23 does not apply to local sales and use taxes."

24 **SECTION 3.** G.S. 105-467(a)(1) reads as rewritten:

25 "(a) **Sales Tax.** – The sales tax that may be imposed under this Article is limited to
26 a tax at the rate of one percent (1%) of the transactions listed in this subsection. The
27 sales tax authorized by this Article does not apply to sales that are taxable by the State
28 under G.S. 105-164.4 but are not specifically included in this subsection.

1 (1) The sales price of tangible personal property subject to the general rate
2 of sales tax imposed by the State under G.S. ~~105-164.4(a)(1) and~~
3 ~~(a)(4b).~~105-164.4(a)(1), (4b), and (8)."

4 **SECTION 4.** Section 4 of Chapter 1096 of the 1967 Session Laws, as
5 amended, is further amended by deleting the phrase "G.S. 105-164.4(a)(1) and (a)(4b)"
6 and substituting the phrase "G.S. 105-164.4(a)(1), (4b), and (8)."

7 **SECTION 5.** This act becomes effective July 1, 2003, and applies to sales
8 made on or after that date.