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HOUSE BILL 728*

Short Title:	Clarify Mill Machinery Privilege Tax. (Public)
Sponsors:	Representative McComas.
Referred to:	Commerce, Small Business, and Entrepreneurship, if favorable, Finance.

March 23, 2009

1   A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THAT A PORT FACILITY THAT UTILIZES SPECIALIZED
3   MACHINERY TO PROCESS BULK CARGO INTO A FORM SUITABLE FOR
4   DELIVERY AND USE BY A MANUFACTURING FACILITY QUALIFIES AS A
5   MANUFACTURING FACILITY FOR PURPOSES OF THE PRIVILEGE TAX ON MILL
6   MACHINERY.
7 The General Assembly of North Carolina enacts:
8   **SECTION 1.** G.S. 105-187.51 reads as rewritten:
9 "**§ 105-187.51. Tax imposed on mill machinery.**
10   (a)   Scope. – A privilege tax is imposed on the following persons:
11   (1)   A manufacturing industry or plant that purchases mill machinery or mill
12   machinery parts or accessories for storage, use, or consumption in this State.
13   A manufacturing industry or plant does not include a delicatessen, cafe,
14   cafeteria, restaurant, or another similar retailer that is principally engaged in
15   the retail sale of foods prepared by it for consumption on or off its premises.
16   A manufacturing industry or plant does include a port facility for waterborne
17   commerce which, by use of specialized machinery, unloads or processes
18   bulk cargo to make it suitable for delivery to and use by manufacturing
19   facilities.
20   (2)   A contractor or subcontractor that purchases mill machinery or mill
21   machinery parts or accessories for use in the performance of a contract with
22   a manufacturing industry or plant.
23   (3)   A subcontractor that purchases mill machinery or mill machinery parts or
24   accessories for use in the performance of a contract with a general contractor
25   that has a contract with a manufacturing industry or plant."
26   (b)   Rate. – The tax is one percent (1%) of the sales price of the machinery, part, or
27 accessory purchased. The maximum tax is eighty dollars ($80.00) per article. As used in this
28 section, the term "accessories" does not include electricity."
29   **SECTION 2.** This act is effective when it becomes law.