

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 1144

Short Title: Expand 1%/\$80 Rate for Mill Machinery. (Public)

Sponsors: Representatives Malone, Lewis, Starnes, and Collins (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Finance.

May 21, 2014

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE SCOPE OF TAX IMPOSED ON MILL MACHINERY.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-187.51B reads as rewritten:

5 "**§ 105-187.51B. Tax imposed on certain recyclers, research and development companies,**
6 **industrial machinery refurbishing companies, and companies located at ports**
7 **facilities.**

8 (a) Tax. – A privilege tax is imposed on the following:

9 ...
10 (6) A company (i) that is engaged at the establishment in fabrication of metal
11 work, (ii) that performs work included in industry group 332312, 332313, or
12 332322, (iii) that has annual gross receipts, including the gross receipts of all
13 related persons as defined in G.S. 105-163.010, from the fabrication of metal
14 work of at least eight million dollars (\$8,000,000), and (iv) that purchases
15 equipment or an attachment or repair part for equipment that meets all of the
16 following requirements:

- 17 a. Is capitalized by the company for tax purposes under the Code.
18 b. Is used by the company at the establishment in the fabrication or
19 manufacture of metal products or used by the company at the
20 establishment to create equipment for the fabrication or manufacture
21 of metal products.
22 c. Would be considered mill machinery or mill machinery parts or
23 accessories under G.S. 105-187.51 if it were purchased by a
24 manufacturing industry or plant and used by the industry or plant to
25 manufacture tangible personal property.

26 (7) A company that is primarily a secondary metals recycler, as defined in
27 G.S. 66-420, that purchases equipment or an attachment or repair part for
28 equipment that meets all of the following requirements:

- 29 a. Is capitalized by the company for tax purposes under the Code.
30 b. Is used by the company at the establishment in the secondary metals
31 recycling activities in which it is primarily engaged.
32 c. Would be considered mill machinery or mill machinery parts or
33 accessories under G.S. 105-187.51 if it were purchased by a
34 manufacturing industry or plant and used by the industry or plant to
35 manufacture tangible personal property.



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

3 **SECTION 2.** This act becomes effective July 1, 2010, and applies to purchases
4 made on or after that date.