

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2166

Short Title: Economic Incentive-Recycled Paper.

(Public)

Sponsors: Representatives Balmer; Flaherty and Bowman.

Referred to: Finance.

May 29, 1990

A BILL TO BE ENTITLED

AN ACT TO PROVIDE AN INCENTIVE FOR THE USE OF RECYCLED
NEWSPRINT BY LEVYING A TAX ON NONRECYCLED NEWSPRINT.

The General Assembly of North Carolina enacts:

Section 1. Article 2 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-102.6. Producers of newsprint publications.

(a) Purpose. The purpose of this tax is to provide an incentive for the use of recycled newsprint and to generate revenue for the General Fund.

(b) Definitions. The following definitions apply in this section:

(1) Mill broke. Paper waste generated in a paper mill before the completion of the papermaking process.

(2) Newsprint. Paper the primary use of which is for printing newspapers.

(3) Producer. A person engaged in the business of producing publications printed on newsprint.

(4) Virgin newsprint. Newsprint the content of which is less than forty percent (40%) wastepaper.

(5) Wastepaper. Paper or a paper product, other than mill broke, that has lost its value for its original purpose and has been discarded.

(c) Tax. Every person engaged in the business of producing publications printed on newsprint shall apply for and obtain from the Secretary of Revenue a license for the privilege of doing business in this State. The producer shall pay a tax of five dollars (\$5.00) for this license. In addition, the producer shall, within 10 days after the last day of each calendar quarter, report to the Secretary of Revenue the amount in metric tons of

1 virgin newsprint consumed by the producer in producing publications during the
2 preceding quarter and pay a tax at the rate of two dollars (\$2.00) per metric ton of virgin
3 newsprint consumed. This additional tax is due when the report is filed. No county,
4 city, or town may impose a license tax on the business taxed under this section.

5 (d) Credit. There is allowed as a credit against the tax imposed by this section an
6 amount equal to two dollars (\$2.00) per metric ton of virgin newsprint consumed by the
7 producer in producing overruns or similar products not actually circulated or delivered.
8 The credit may not exceed the amount of tax imposed by this section for the quarter."

9 Sec. 2. G.S. 105-109.1 reads as rewritten:

10 **"§ 105-109.1. Interest.**

11 With respect to the taxes on gross receipts levied in G.S. 105-37.1(a), 105-38(7),
12 105-39(c) and 105-65.1(b)(2), ~~and~~ the tax on installment paper dealers levied in G.S.
13 105-83(b), and the tax on producers of newsprint publications levied in G.S. 105-102.6,
14 all such taxes, including assessments of taxes or additional taxes, shall bear interest
15 from the time such taxes were due to have been paid until paid, at rates established
16 pursuant to G.S. 105-241.1(i)."

17 Sec. 3. This act shall become effective July 1, 1990. The first monthly report
18 required by G.S. 105-120.6, as enacted by this act, is due on or before August 10, 1990.