

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**HOUSE DRH80132-LC-43 (03/04)**

Short Title: Reduce Utility Equipment Sales Tax. (Public)

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Sponsors: Representative Goforth.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO REDUCE SALES TAXES ON LIGHT CONSTRUCTION  
EQUIPMENT.

The General Assembly of North Carolina enacts:

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

"§ 105-164.3. **Definitions.**

The following definitions apply in this Article:

...

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

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

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

...

(8) The general rate of tax applies to the sales price of light construction  
equipment sold at retail, including all accessories attached to the  
equipment when it is delivered to the purchaser. The maximum tax is  
three hundred dollars (\$300.00) per article."

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