

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 2512

Short Title: Motorsports Incentives. (Public)

Sponsors: Representatives Ray, Earle, Howard, Saunders (Primary Sponsors); Alexander, Allred, Brubaker, Carney, Coates, Cole, Culp, Daughtridge, Eddins, England, Faison, Farmer-Butterfield, Frye, Gibson, Goforth, Goodwin, Gulley, Hollo, Johnson, Ed Jones, Justice, Justus, Lewis, Moore, Owens, Parmon, Pate, Rapp, Sauls, Sherrill, Starnes, Steen, Stiller, Sutton, Vinson, Walend, West, Williams, Wilson, and Wray.

Referred to: Finance.

May 25, 2006

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE FOR A SALES AND USE TAX INCENTIVE FOR THE
2 MOTORSports INDUSTRY AS RECOMMENDED BY THE GOVERNOR'S
3 MOTORSports ADVISORY COUNCIL.
4

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-164.3 reads as rewritten:

7 "**§ 105-164.3. Definitions.**

8 The following definitions apply in this Article:

9 ...
10 (30a) Professional motorsports racing team. – A racing team that satisfies all
11 of the following conditions:

- 12 a. The team is operated for profit.
13 b. A majority of the revenues of the team is derived from
14 sponsorship of the racing team and prize money.
15 c. The team competes in at least sixty-six percent (66%) of the
16 races sponsored in a single season by a motorsports sanctioning
17 body.

18 (30b) Prosthetic device. – A replacement, corrective, or supporting device
19 worn on or in the body that meets one of the conditions of this
20 subdivision. The term includes repair and replacement parts for the
21 device.

- 22 a. Artificially replaces a missing portion of the body.
23 b. Prevents or corrects a physical deformity or malfunction.
24 c. Supports a weak or deformed portion of the body.

1 ..."

2 **SECTION 2.** G.S. 105-164.14(l) reads as rewritten:

3 "(l) Aviation Fuel for Motorsports Events. – A professional motorsports racing
4 team or a motorsports sanctioning body is allowed a refund of the sales and use tax paid
5 by it in this State on aviation fuel that is used to travel to or from a motorsports event in
6 this State, to travel to a motorsports event in another state from a location in this State,
7 or to travel to this State from a motorsports event in another state. For the purposes of
8 this subsection, a "motorsports event" includes a motorsports race, a motorsports
9 sponsor event, and motor sports testing. A request for a refund must be in writing and
10 must include any information and documentation the Secretary requires. A request for a
11 refund is due within six months after the end of the State's fiscal year. Refunds applied
12 for after the due date are barred. This subsection is repealed for purchases made on or
13 after January 1, 2007."

14 **SECTION 3.** G.S. 105-164.14 is amended by adding a new subsection to
15 read:

16 "(m) Professional Motor Racing Vehicles. – A professional motorsports racing
17 team is allowed a refund of the sales and use tax paid by it in this State on tangible
18 personal property, other than tires or accessories, that comprises any part of a
19 professional motor racing vehicle. For the purposes of this subsection, 'accessories'
20 includes instrumentation, telemetry, consumables, and paint. A request for a refund
21 must be in writing and must include any information and documentation the Secretary
22 requires. A request for a refund is due within six months after the end of the State's
23 fiscal year. Refunds applied for after the due date are barred."

24 **SECTION 4.** Section 62 of S.L. 2005-435 reads as rewritten:

25 "**SECTION 62.** This part becomes effective January 1, 2005, and applies to
26 purchases made on or after that date. ~~This part~~ Section 61 is repealed effective for
27 purchases made on or after January 1, 2007. This part does not affect the rights or
28 liabilities of the State, a taxpayer, or another person arising under a statute amended or
29 repealed by this part before the effective date of its amendment or repeal; nor does it
30 affect the right to any refund or credit of a tax that accrued under the amended or
31 repealed statute before the effective date of its amendment or repeal."

32 **SECTION 5.** This act becomes effective January 1, 2006, and applies to
33 purchases made on or after that date. This act does not affect the rights or liabilities of
34 the State, a taxpayer, or another person arising under a statute amended or repealed by
35 this act before the effective date of its amendment or repeal; nor does it affect the right
36 to any refund or credit of a tax that accrued under the amended or repealed statute
37 before the effective date of its amendment or repeal.