

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1745

Short Title: 1%/\$80 Rate / Indust. Machinery Refurbisher. (Public)

Sponsors: Senators Hoyle; Forrester, Hartsell, Jenkins, and Tillman.

Referred to: Finance.

May 21, 2008

1 A BILL TO BE ENTITLED
2 AN ACT TO TREAT A PERSON WHO REPAIRS AND REFURBISHES
3 INDUSTRIAL MACHINERY THE SAME AS A MANUFACTURER OF THE
4 MACHINERY FOR SALES TAX PURPOSES.

5 The General Assembly of North Carolina enacts:

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

7 "**§ 105-187.51B. Tax imposed on certain ~~recyclers and~~ recyclers, research and**
8 **development companies, companies, and industrial machinery**
9 **refurbishing companies.**

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

11 (1) A major recycling facility that purchases any of the following tangible
12 personal property for use in connection with the facility:

13 a. Cranes, structural steel crane support systems, and foundations
14 related to the cranes and support systems.

15 b. Port and dock facilities.

16 c. Rail equipment.

17 d. Material handling equipment.

18 (2) A research and development company in the physical, engineering,
19 and life sciences that is included in industry 54171 of NAICS and that
20 purchases equipment or an attachment or repair part for equipment that
21 meets all of the following requirements:

22 a. Is capitalized by the company for tax purposes under the Code.

23 b. Is used by the company in the research and development of
24 tangible personal property.

25 c. Would be considered mill machinery or mill machinery parts or
26 accessories under G.S. 105-187.51 if it were purchased by a
27 manufacturing industry or plant and used in the research and
28 development of tangible personal property manufactured by the
29 industry or plant.

- 1 (3) A software publishing company that is included in the industry group
2 5112 of NAICS and that purchases equipment or an attachment or
3 repair part for equipment that meets all of the following requirements:
4 a. Is capitalized by the company for tax purposes under the Code.
5 b. Is used by the company in the research and development of
6 tangible personal property.
7 c. Would be considered mill machinery under G.S. 105-187.51 if
8 it were purchased by a manufacturing industry or plant and used
9 in the research and development of tangible personal property
10 manufactured by the industry or plant.

- 11 (4) An industrial machinery refurbishing company that is included in
12 industry group 811310 of NAICS and that purchases equipment or an
13 attachment or repair part for equipment that meets all of the following
14 requirements:

- 15 a. Is capitalized by the company for tax purposes under the Code.
16 b. Is used by the company in repairing or refurbishing tangible
17 personal property.
18 c. Would be considered mill machinery under G.S. 105-187.51 if
19 it were purchased by a manufacturing industry or plant and used
20 by the industry or plant to manufacture tangible personal
21 property.

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

25 **SECTION 2.** A person that paid tax on or after September 1, 2001, in an
26 amount that is greater than the amount required under G.S. 105-187.51B(a)(4), as
27 enacted by this act, may obtain a refund of the difference between the amount paid and
28 the amount due under that subdivision by filing a claim for refund with the Secretary of
29 Revenue in accordance with G.S. 105-241.7. The claim for refund must be filed within
30 the later of the following:

- 31 (1) One year after the effective date of this act.
32 (2) The end of the statute of limitations period set in G.S. 105-241.6 for
33 filing a claim for refund.

34 **SECTION 3.** This act is effective when it becomes law and applies
35 retroactively to purchases made on or after September 1, 2001.