

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1745
Finance Committee Substitute Adopted 5/28/08

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

(Public)

Sponsors:

Referred to:

May 21, 2008

A BILL TO BE ENTITLED

AN ACT TO TREAT A PERSON WHO REPAIRS AND REFURBISHES
INDUSTRIAL MACHINERY THE SAME AS A MANUFACTURER OF THE
MACHINERY FOR SALES TAX PURPOSES.

The General Assembly of North Carolina enacts:

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

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

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

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

- a. Cranes, structural steel crane support systems, and foundations related to the cranes and support systems.
- b. Port and dock facilities.
- c. Rail equipment.
- d. Material handling equipment.

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

- a. Is capitalized by the company for tax purposes under the Code.
- b. Is used by the company in the research and development of tangible personal property.
- c. Would be considered mill machinery or mill machinery parts or accessories under G.S. 105-187.51 if it were purchased by a manufacturing industry or plant and used in the research and development of tangible personal property manufactured by the 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.** This act becomes effective July 1, 2006, and applies to

26 purchases made on or after that date and to assessments made on or after that date for

27 prior purchases.