

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE BILL 1769**

Short Title: Energy Efficiency Sales Tax Holiday. (Public)

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Sponsors: Senators Snow; Albertson, Atwater, Berger of Franklin, Boseman, Clodfelter, Cowell, Dalton, Dorsett, Foriest, Garrou, Goss, Graham, Hagan, Jones, Kinnaird, McKissick, Nesbitt, Purcell, Queen, Rand, and Swindell.

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Referred to: Finance.

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May 21, 2008

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A SALES AND USE TAX HOLIDAY FOR CERTAIN ENERGY EFFICIENT PRODUCTS.

The General Assembly of North Carolina enacts:

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

**"§ 105-164.3. Definitions.**

The following definitions apply in this Article:

...

(7) Dietary supplement. – A product that is intended to supplement the diet of humans and is required to be labeled as a dietary supplement under federal law, identifiable by the "Supplement Facts" box found on the label.

(7a) Digital Television transition date. – February 17, 2009, or any later date specified by the Federal Communications Commission for full-power television stations to end broadcast transmission of analog signals.

(7b) Direct mail. – Printed material delivered or distributed by the United States Postal Service or other delivery service to a mass audience or to addresses on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items is not billed directly to the recipients. The term includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material. The term does not include multiple items of printed material delivered to a single address.

...

1           (8g) Energy Star qualified product. – Defined in the Streamlined  
2           Agreement.

3           ...."

4           **SECTION 2.** The catch line of G.S. 105-164.13C reads as rewritten:

5           "**§ 105-164.13C. Sales and use tax holiday.**~~Sales and use tax holiday for school~~  
6           **supplies and clothing.**"

7           **SECTION 3.(a)** Article 5 of Chapter 105 of the General Statutes is amended  
8 by adding a new section to read:

9           "**§ 105-164.13D. Sales and use tax holiday for Energy Star qualified products.**

10          (a) The taxes imposed by this Article do not apply to the following categories of  
11 Energy Star qualified products with a sales price of six thousand dollars (\$6,000) or less  
12 per item unless otherwise specified below, if sold between 12:01 A.M. on the third  
13 Monday of April and 11:59 P.M. the following Sunday:

14           (1) Appliances: battery chargers, clothes washers, dehumidifiers,  
15 dishwashers, freezers, refrigerators, room air conditioners, room air  
16 cleaners, and residential water heaters.

17           (2) Heating and Cooling: air-source heat pumps, boilers, central air  
18 conditioners, ceiling fans, furnaces, geothermal heat pumps,  
19 programmable thermostats, and ventilating fans.

20           (3) Home Envelope: insulation, air sealing products, windows, doors, and  
21 skylights.

22           (4) Home Electronics: cordless phones, external power adapters,  
23 televisions with a sales price of eight hundred dollars (\$800) or less  
24 per item capable of receiving over-the-air television broadcasts after  
25 the Digital Television transition date, and digital to analog converters  
26 necessary for receiving over-the-air television broadcasts on analog  
27 televisions after the Digital Television transition date.

28           (5) Lighting: compact fluorescent light bulbs, decorative light strings, and  
29 residential light fixtures.

30          (b) The exemption allowed by this section shall not apply to any of the  
31 following:

32           (1) Sales of an item for use in a trade or business.

33           (2) Sales of items exempted by G.S. 105-164.13C.

34           (3) Rentals.

35          (c) Sunset. – This section is repealed effective January 1, 2015."

36           **SECTION 3.(b)** G.S. 105-164.13D, as enacted by subsection (a) of this  
37 section, reads as rewritten:

38           "**§ 105-164.13D. Sales and use tax holiday for Energy Star qualified products.**

39          (a) The taxes imposed by this Article do not apply to the following categories of  
40 Energy Star qualified products with a sales price of six thousand dollars (\$6,000) or less  
41 per item if sold between 12:01 A.M. on the third Monday of April and 11:59 P.M. the  
42 following Sunday:

- 1 (1) Appliances: battery chargers, clothes washers, dehumidifiers,  
2 dishwashers, freezers, refrigerators, room air conditioners, room air  
3 cleaners, and residential water heaters.
- 4 (2) Heating and Cooling: air-source heat pumps, boilers, central air  
5 conditioners, ceiling fans, furnaces, geothermal heat pumps,  
6 programmable thermostats, and ventilating fans.
- 7 (3) Home Envelope: insulation, air sealing products, windows, doors, and  
8 skylights.
- 9 (4) Home Electronics: cordless phones, and external power adapters.  
10 ~~external power adapters, televisions with a sales price of eight hundred~~  
11 ~~dollars (\$800) or less per item capable of receiving over the air~~  
12 ~~television broadcasts after the Digital Television transition date, and~~  
13 ~~digital to analog converters necessary for receiving over the air~~  
14 ~~television broadcasts on analog televisions after the Digital Television~~  
15 ~~transition date.~~
- 16 (5) Lighting: compact fluorescent light bulbs, decorative light strings and  
17 residential light fixtures.

18 (b) The exemption allowed by this section shall not apply to any of the following:

- 19 (1) Sales of an item for use in a trade or business.  
20 (2) Sales of items exempted by G.S. 105-164.13C.  
21 (3) Rentals.

22 (c) Sunset – This section is repealed effective January 1, 2015."

23 **SECTION 4.** G.S. 105-467 reads as rewritten:

24 "**§ 105-467. Scope of sales tax.**

25 ...

26 (b) Exemptions and Refunds. – The State exemptions and exclusions contained  
27 in G.S. 105-164.13, the State sales and use tax ~~holiday~~holidays contained in  
28 G.S. 105-164.13C and G.S. 105-164.13D, and the State refund provisions contained in  
29 G.S. 105-164.14 apply to the local sales and use tax authorized to be levied and imposed  
30 under this Article. Except as provided in this subsection, a taxing county may not allow  
31 an exemption, exclusion, or refund that is not allowed under the State sales and use tax.  
32 A local school administrative unit and a joint agency created by interlocal agreement  
33 among local school administrative units pursuant to G.S. 160A-462 to jointly purchase  
34 food service-related materials, supplies, and equipment on their behalf is allowed an  
35 annual refund of sales and use taxes paid by it under this Article on direct purchases of  
36 tangible personal property and services, other than electricity, telecommunications  
37 service, and ancillary service. Sales and use tax liability indirectly incurred by the entity  
38 on building materials, supplies, fixtures, and equipment that become a part of or  
39 annexed to any building or structure that is owned or leased by the entity and is being  
40 erected, altered, or repaired for use by the entity is considered a sales or use tax liability  
41 incurred on direct purchases by the entity for the purpose of this subsection. A request  
42 for a refund shall be in writing and shall include any information and documentation  
43 required by the Secretary. A request for a refund is due within six months after the end

1 of the entity's fiscal year. Refunds applied for more than three years after the due date  
2 are barred.

3 (c) Sourcing. – The local sales tax authorized to be imposed and levied under this  
4 Article applies to taxable transactions by retailers whose place of business is located  
5 within the taxing county. The sourcing principles in G.S. 105-164.4B apply in  
6 determining whether the local sales tax applies to a transaction."

7 **SECTION 5.** The second paragraph of Section 4 of Chapter 1096 of the  
8 1967 Session Laws reads as rewritten:

9 "The exemptions and exclusions contained in G.S. 105-164.13 and the sales and use  
10 tax ~~holiday~~ holidays contained in G.S. 105-164.13C and G.S. 105-164.13D apply with  
11 equal force and like manner to the local sales tax authorized to be imposed and levied  
12 under this division. The county shall have no authority, with respect to the local sales  
13 and use tax imposed under this division, to change, alter, add, or delete any exemptions  
14 or exclusions contained under G.S. 105-164.13."

15 **SECTION 6.** Sections 1, 2, 3(a), 4, and 5 of this Act become effective  
16 July 1, 2008, and are applicable to sales made on or after that date. Section 3(b) of this  
17 Act becomes effective July 1, 2009, and is applicable to sales made on or after that date.