

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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HOUSE BILL 1231

Short Title: Gas City Sales Tax Exemption. (Public)

Sponsors: Representatives B. Brown, S. Martin, Hastings, and T. Moore (Primary Sponsors).

*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Finance.

May 28, 2014

A BILL TO BE ENTITLED

AN ACT TO EXEMPT CERTAIN SALES OF NATURAL GAS RELATING TO GAS CITIES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-164.13 is amended by adding a new subdivision to read:

"§ 105-164.13. Retail sales and use tax.

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

...

(44a) Piped natural gas (i) received by a gas city for consumption by that city and (ii) delivered by a gas city to a sales or transportation customer of the gas city.

...."

**SECTION 2.** G.S. 105-164.44L(b) reads as rewritten:

"(b) Excise Tax Share. – The quarterly excise tax share of a city that is not a gas city is the amount of piped natural gas excise tax distributed to the city under repealed G.S. 105-187.44 for the same related quarter that was the last quarter in which taxes were imposed on piped natural gas under repealed Article 5E of this Chapter. ~~The Secretary must determine the excise tax share of a gas city and divide that amount by four to calculate the quarterly distribution amount for a gas city. The excise tax share of a gas city is the amount the gas city would have received under repealed G.S. 105-187.44 for the last year in which taxes were imposed under repealed Article 5E of this Chapter if piped natural gas consumed by the city or delivered by the city to a customer had not been exempt from tax under repealed G.S. 105-187.41(e)(1) and (e)(2). A gas city must report the information required by the Secretary to make the distribution under this section in the form, manner, and time required by the Secretary. For purposes of this subsection, the term "gas city" has the same meaning as defined in repealed G.S. 105-187.40.~~ The determination made by the Department with respect to a city's excise tax share is final and is not subject to administrative or judicial review.

The excise tax share of a city that has dissolved, merged with another city, or divided into two or more cities since it received a distribution under repealed G.S. 105-187.44 is adjusted as follows:

- (1) If a city dissolves and is no longer incorporated, the excise tax share of the city is added to the amount distributed under subsection (c) of this section.



- 1           (2)    If two or more cities merge or otherwise consolidate, their excise tax shares  
2                    are combined.
- 3           (3)    If a city divides into two or more cities, the excise tax share of the city that  
4                    divides is allocated among the new cities in proportion to the total amount of  
5                    ad valorem taxes levied by each on property having a tax situs in the city."  
6            **SECTION 3.** This act becomes effective July 1, 2014, and applies to sales made on  
7    or after that date.