

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 959
Committee Substitute Favorable 6/27/13

Short Title: Large Mfg. Facility Extension/Study of 1%/\$80.

(Public)

Sponsors:

Referred to:

April 18, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO EXTEND BY TWO YEARS THE PERIOD FOR WHICH A LARGE
3 MANUFACTURING AND DISTRIBUTION FACILITY IS ELIGIBLE FOR THE ONE
4 PERCENT/EIGHTY-DOLLAR PRIVILEGE TAX ON PURCHASES OF CERTAIN
5 MACHINERY AND EQUIPMENT AND TO DIRECT THE REVENUE LAWS STUDY
6 COMMITTEE TO STUDY THE SCOPE AND APPLICATION OF THE ONE
7 PERCENT/EIGHTY-DOLLAR PRIVILEGE TAX APPLICABLE TO MILL
8 MACHINERY AND CERTAIN OTHER MACHINERY AND EQUIPMENT.

9 The General Assembly of North Carolina enacts:

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

11 "(a) Definition. – For the purposes of this section, a "large manufacturing and
12 distribution facility" is a facility that is to be used primarily for manufacturing or assembling
13 products and distributing finished products for which the Secretary of Commerce makes a
14 certification that an investment of private funds of at least eighty million dollars (\$80,000,000)
15 has been or will be made in real and tangible personal property for the facility within ~~five~~seven
16 years after the date on which the first property investment is made and that the facility will
17 achieve an employment level of at least 550 within five years after the date the facility is placed
18 into service and maintain that minimum level of employment throughout its operation.

19 ...

20 (d) Sunset. – This section expires for sales occurring on or after July 1, ~~2018~~2020."

21 SECTION 2. The Revenue Laws Study Committee is directed to study the scope
22 and application of the privilege tax at the rate of one percent (1%) with a cap of eighty dollars
23 (\$80.00) that applies to mill machinery and on other machinery and equipment purchased by
24 certain industries and companies. The study may include an examination of the following:

- 25 (1) The tax treatment in other states of business equipment purchases.
26 (2) Economic competitiveness issues surrounding the tax treatment of business
27 equipment purchases.
28 (3) A comparison of how North Carolina treats equipment purchases by
29 similarly situated taxpayers.
30 (4) Whether there is a simpler, more uniform, and more equitable way to treat
31 business equipment purchases of taxpayers and the fiscal impact of such
32 treatment.

33 The Committee may report its findings, together with any recommended legislation,
34 to the 2014 Regular Session of the 2013 General Assembly upon its convening.

35 SECTION 3. This act is effective when it becomes law.

