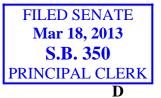
GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2013



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SENATE DRS75153-MCx-121 (03/11)

	Short Title:	Privilege Tax for Unregulated Utilities.	(Public)			
	Sponsors: Senator Hartsell (Primary Sponsor).					
_	Referred to:	Referred to:				
1		A BILL TO BE ENTITLED				
2 3	AN ACT I UTILITI	IMPOSING A FRANCHISE OR PRIVILEGE TAX ON UNREGUI ES.	LATED			
4	The General Assembly of North Carolina enacts:					
5	SECTION 1. Article 3 of Chapter 105 of the General Statutes is amended by					
6	adding a new section to read:					
7	"§ 105-116.2. Franchise or privilege tax on unregulated electric power and water					
8		ompanies.	·····			
9 10		$\frac{1}{2}$ $\frac{1}$				
10	if the company is not subject to the tax imposed by G.S. 105-116(a) because the company is not regulated by the North Carolina Utilities Commission:					
12	(1		ctricity			
13	<u></u>	electric lights, current, or power for either commercial or domestic				
14		consumption with gross taxable receipts equal to or exceeding six				
15		dollars (\$6,000,000).				
16	<u>(2</u>	2) <u>A water company engaged in the sale of water delivered by or throug</u>	<u>gh main</u>			
17		lines or pipes for either commercial or domestic use or consumption	on with			
18		gross taxable receipts equal to or exceeding six million dollars (\$6,00				
19		he tax on an electric power company is six percent (6%) of the company's				
20		s from the business of furnishing electricity, electric lights, current, or pow				
21	tax on a water company is six percent (6%) of the company's taxable gross receipts from the					
22	sale of water delivered by or through main lines or pipes. A company's taxable gross receipts					
23 24	are its gross receipts from business inside the State, including all power generated inside the					
24 25	<u>State regardless of the location of the user and all water placed into pipes inside the State. A</u> company that engages in more than one business taxed under this section shall pay tax on each					
26		company that sells electricity or water on a wholesale basis is considered				
27	electricity or water for commercial use or consumption.					
28	(c) Report and Payment. – The tax imposed by this section is payable quarterly or					
29	monthly as specified in this subsection. A return is due quarterly. A water company must pay					
30	tax quarterly when filing a return. An electric power company must pay tax in accordance with					
31	the schedule and requirements that apply to payments of sales and use tax under					
32	G.S. 105-164.16 and must file a return quarterly. A quarterly return covers a calendar quarter					
33	and is due by the last day of the month that follows the quarter covered by the return. A					
34		taxpayer must submit a return on a form provided by the Secretary. The return must include the				
35	taxpayer's gr	taxpayer's gross receipts from all property it owned or operated during the reporting period in				



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1	connection with i	its gross receipts			
2	on an accrual basis. A return must contain the following information:				
3	<u>(1)</u>	The taxpayer's gross receipts for the reporting period from	n business inside		
4		and outside this State stated separately.			
5	<u>(2)</u>	The amount of and price paid by the taxpayer for commo	dities or services		
6		described in subsection (a) of this section that are purchased	ased from others		
7		engaged in business in this State and the name of each vender	<u>or.</u>		
8	<u>(3)</u>	For an electric power company, the entity's gross receip	ots from the sale		
9		within each city of the commodities and services described	in subsection (a)		
10		of this section."			
11	SECT	TON 2. The General Assembly finds that unregulated utilities	es were not being		
12	taxed under G.S. 105-166(a); that this bill equalizes the taxation of regulated and unregulated				
13	utilities; that unregulated utilities received a tax benefit under S.L. 2001-476 and this bill				
14	recaptures that tax benefit; and the General Assembly does not intend for this bill to affect the				
15	operation and interpretation of G.S. 105-166(a).				
16	SECT	TON 3. This act becomes effective for taxable years begin	nning on or after		
17	T 1 0014 7				

17 January 1, 2014. This act is effective when it becomes law.