

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**HOUSE BILL 759**

Short Title: Reduce Utility Equipment Sales Tax. (Public)

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Sponsors: Representatives Goforth; B. Allen, Bonner, Bordsen, Capps, Carney, Culp, England, Farmer-Butterfield, Gibson, Goodwin, Gorman, Gulley, Hall, Hilton, Holliman, Hunter, C. Johnson, L. Johnson, Jones, LaRoque, Lewis, Lucas, McHenry, Mitchell, Moore, Parmon, Rapp, Ray, Ross, Stam, Sutton, Tolson, Warner, K. Williams, C. Wilson, and Yongue.

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Referred to: Finance.

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March 27, 2003

A BILL TO BE ENTITLED

1 AN ACT TO REDUCE SALES TAXES ON LIGHT CONSTRUCTION  
2 EQUIPMENT.  
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4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-164.3 is amended by adding a new subdivision to  
6 read:

7 "**§ 105-164.3. Definitions.**

8 The following definitions apply in this Article:

9 ...

10 (17b) Light construction equipment. – Equipment that is self-propelled, has  
11 an engine of no more than 160 net horsepower, and is not designed  
12 primarily for transportation."

13 **SECTION 2.** G.S. 105-164.4(a) is amended by adding a new subdivision to  
14 read:

15 "(a) **(Effective until July 1, 2003)** A privilege tax is imposed on a retailer at the  
16 following percentage rates of the retailer's net taxable sales or gross receipts, as  
17 appropriate. The general rate of tax is four and one-half percent (4 1/2%).

18 ...

19 (8) The general rate of tax applies to the sales price of light construction  
20 equipment sold at retail, including all accessories attached to the  
21 equipment when it is delivered to the purchaser. The maximum tax is  
22 three hundred dollars (\$300.00) per article."

23 **SECTION 3.** This act becomes effective July 1, 2003, and applies to sales  
24 made on or after that date.