

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

S

1

SENATE BILL 1047

Short Title: Sales Tax Refund - Research Supplies. (Public)

Sponsors: Senators Hartsell; Brock and Hoyle.

Referred to: Finance.

March 21, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW FOR A SALES AND USE TAX REFUND FOR SUPPLIES
3 USED IN RESEARCH, DEVELOPMENT, AND ANALYTICAL SERVICES.

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 (33a) Research, development, or analytical services. – One of the following:

11 a. Research or development in the physical, engineering, or life
12 sciences that is included in national industry 541710 of NAICS.

13 b. Testing laboratories that are included in national industry
14 541380 of NAICS or medical laboratories included in national
15 industry 621511 of NAICS."

16 **SECTION 2.** G.S. 105-164.14 is amended by adding a new subsection to
17 read:

18 "(n) Research and Development and Analytical Services Supplies. – A taxpayer
19 engaged in research, development, or analytical services is allowed a refund of the sales
20 and use tax paid by it in this State on tangible personal property that is consumed or
21 transformed in research, development, or analytical service activities. A request for a
22 refund must be in writing and must include any information and documentation that the
23 Secretary requires. A request for a refund is due within six months after the end of the
24 State's fiscal year. Refunds applied for after the due date are barred."

25 **SECTION 3.** Article 5 of Chapter 105 of the General Statutes is amended by
26 adding a new section to read:

27 "**§ 105-164.44J. Transfer to the One North Carolina Small Business Account.**

28 At the end of each fiscal quarter, the Secretary shall transfer to the One North
29 Carolina Small Business Account within the One North Carolina Fund, established

1 under G.S. 143B-437.71, an amount equal to twelve and one-half percent (12.5%) of the
2 amount of sales and use taxes refunded pursuant G.S. 105-164.14(n) during the previous
3 fiscal year, as determined by the Secretary based on available data."

4 **SECTION 4.** Section 3 of this act becomes effective July 1, 2008. The
5 remainder of this act becomes effective July 1, 2007, and applies to purchases made on
6 or after that date.