

§ 105-187.51B. (Repealed effective July 1, 2018) Tax imposed on machinery, equipment, and other tangible personal property purchased by certain companies.

- (a) Tax. – A privilege tax is imposed on the following:
- (1) A major recycling facility that purchases any of the following tangible personal property for use in connection with the facility:
 - a. Cranes, structural steel crane support systems, and foundations related to the cranes and support systems.
 - b. Port and dock facilities.
 - c. Rail equipment.
 - d. Material handling equipment.
 - (2) A company primarily engaged at the establishment in research and development activities in the physical, engineering, and life sciences included in industry 54171 of NAICS and that purchases equipment or an attachment or repair part for equipment that meets all of the following requirements:
 - a. Is capitalized by the company for tax purposes under the Code.
 - b. Is used by the company at the establishment in the research and development of tangible personal property.
 - c. Would be considered mill machinery or mill machinery parts or accessories under G.S. 105-187.51 if it were purchased by a manufacturing industry or plant and used in the research and development of tangible personal property manufactured by the industry or plant.
 - (3) A company primarily engaged at the establishment in software publishing activities included in industry group 5112 of NAICS and that purchases equipment or an attachment or repair part for equipment that meets all of the following requirements:
 - a. Is capitalized by the company for tax purposes under the Code.
 - b. Is used by the company at the establishment in the research and development of tangible personal property.
 - c. Would be considered mill machinery under G.S. 105-187.51 if it were purchased by a manufacturing industry or plant and used in the research and development of tangible personal property manufactured by the industry or plant.
 - (4) A company primarily engaged at the establishment in industrial machinery refurbishing activities included in industry group 811310 of NAICS and that purchases equipment or an attachment or repair part for equipment that meets all of the following requirements:
 - a. Is capitalized by the company for tax purposes under the Code.
 - b. Is used by the company at the establishment in repairing or refurbishing tangible personal property.
 - c. Would be considered mill machinery under G.S. 105-187.51 if it were purchased by a manufacturing industry or plant and used by the industry or plant to manufacture tangible personal property.
 - (5) A company located at a ports facility for waterborne commerce that purchases any of the following:
 - a. Machinery and equipment that is used at the facility to unload or to facilitate the unloading or processing of bulk cargo to make it suitable for delivery to and use by manufacturing facilities.

- b. Parts, accessories, or attachments used to maintain, repair, replace, upgrade, improve, or otherwise modify such machinery and equipment.
- (6) A person other than a person subject to tax under subdivision (1) of this subsection that gathers and obtains ferrous metals, nonferrous metals, and items that have served their original economic purpose and that converts them by processes, including sorting, cutting, classifying, cleaning, baling, wrapping, shredding, or shearing into a new or different product for sale consisting of prepared grades that purchases equipment, or an attachment or repair part for the equipment, that meets all of the following requirements:
 - a. Is capitalized by the person for tax purposes under the Code.
 - b. Is used by the person in a conversion process described in this subdivision.
 - c. Is not a motor vehicle or an attachment or repair part for a motor vehicle.
 - (7) A company primarily engaged at the establishment in processing tangible personal property for the purpose of extracting precious metals, as defined in G.S. 66-406, to determine the value for potential purchase that purchases equipment, or an attachment or repair part for the equipment, that meets all of the following requirements:
 - a. Is capitalized by the company for tax purposes under the Code.
 - b. Is used by the company in the process described in this subdivision.
 - (8) A company (i) that is engaged in the fabrication of metal work, (ii) that has annual gross receipts, including the gross receipts of all related persons as defined in G.S. 105-163.010, from the fabrication of metal work of at least eight million dollars (\$8,000,000), and (iii) that purchases equipment, or an attachment or repair part for equipment, that meets all of the following requirements:
 - a. Is capitalized by the company for tax purposes under the Code.
 - b. Is used by the company at the establishment in the fabrication or manufacture of metal products or used by the company to create equipment for the fabrication or manufacture of metal products.
- (b) Rate. – The tax is one percent (1%) of the purchase price of the equipment or other tangible personal property. The maximum tax is eighty dollars (\$80.00) per article. (2005-276, s. 33.21; 2006-66, s. 24.9(a); 2006-196, s. 12; 2007-323, s. 31.7(a); 2007-527, s. 13(a); 2008-107, s. 28.21(a); 2011-302, s. 1; 2013-414, s. 46; 2016-94, s. 38.2(a), (b); 2016-123, ss. 11.1, 11.3(a); 2017-57, s. 38.8(a).)