

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE DRH60115-MBx-24 (2/17)

Short Title: Eliminate Sales Tax on Farm Equipment.

(Public)

Sponsors: Representative Holloway.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ELIMINATE THE SALES AND USE TAX ON FARM MACHINERY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.4A(1) is repealed.

SECTION 2. G.S. 105-164.3 is amended by adding a new subdivision to

read:

"§ 105-164.3. **Definitions.**

The following definitions apply in this Article:

...

(9a) Farm machinery. – Machinery designed for use in the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals. The term includes all vehicular implements designed and sold for an eligible use that are operated, drawn, or propelled by motor or animal power, including nonvehicular implements and mechanical devices that have moving parts or require the use of any motor or animal power, fuel, or electricity in their operation. The term also includes metal flues, whether attached to handfired furnaces or used in connection with mechanical burners, sold for use in curing tobacco. The term does not include nonvehicular implements that have no moving parts and are operated wholly by hand, vehicular implements that are operated wholly by hand, or any motor vehicles required to be registered under Chapter 20 of the General Statutes."

SECTION 3. G.S. 105-164.13 is amended by adding a new subdivision to

read:

"§ 105-164.13. **Retail sales and use tax.**

1 The sale at retail and the use, storage, or consumption in this State of the following
2 tangible personal property and services are specifically exempted from the tax imposed
3 by this Article:

4 ...
5 (4e) Farm machinery."

6 **SECTION 4.** This act becomes effective July 1, 2005, and applies to sales
7 made on or after that date.