

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 673

Short Title: Aircraft Maintenance Equip/Sales Tax.

(Public)

Sponsors: Senators Seymour; Daniel, Martin of Guilford, Royall, Sands, and Shaw.

Referred to: Finance.

April 17, 1991

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE STATE SALES TAX ON AIRCRAFT MAINTENANCE EQUIPMENT TO ONE PERCENT WITH A CAP OF EIGHTY DOLLARS PER ITEM AND TO PROVIDE THAT LOCAL SALES TAX DOES NOT APPLY TO AIRCRAFT MAINTENANCE EQUIPMENT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.4(a)(1d) reads as rewritten:

"(1d) At the rate of one percent (1%) of the sales price, subject to a maximum tax of eighty dollars (\$80.00) per article, on the following items:

- a. Sales of machines and machinery, whether animal or motor drawn or operated, and parts and accessories for such machines and machinery to farmers for use by them in the planting, cultivating, harvesting or curing of farm crops, and sales of machines and machinery and parts and accessories for such machines and machinery to dairy operators, poultry farmers, egg producers, and livestock farmers for use by them in the production of dairy products, poultry, eggs or livestock, except such machines, machinery, equipment, parts, and accessories that come within the provisions of G.S. 105-164.13(4c).

The term 'machines and machinery' as used in this subdivision is defined as follows:

The term shall include all vehicular implements, designed and sold for any use defined in this subdivision, which are operated,

1 drawn or propelled by motor or animal power, but shall not
2 include vehicular implements which are operated wholly by
3 hand, and shall not include any motor vehicles required to be
4 registered under Chapter 20 of the General Statutes.

5 The term shall include all nonvehicular implements and
6 mechanical devices designed and sold for any use defined in
7 this subdivision, which have moving parts, or which require the
8 use of any motor or animal power, fuel, or electricity in their
9 operation but shall not include nonvehicular implements which
10 have no moving parts and are operated wholly by hand.

11 The term shall also include metal flues sold for use in curing
12 tobacco, whether such flues are attached to handfired furnaces
13 or used in connection with mechanical burners.

- 14 b. Sales of mill machinery or mill machinery parts and accessories
15 to manufacturing industries and plants, and sales to contractors
16 and subcontractors purchasing mill machinery or mill
17 machinery parts and accessories for use by them in the
18 performance of contracts with manufacturing industries and
19 plants, and sales to subcontractors purchasing mill machinery or
20 mill machinery parts and accessories for use by them in the
21 performance of contracts with general contractors who have
22 contracts with manufacturing industries and plants. As used in
23 this paragraph, the term 'manufacturing industries and plants'
24 does not include delicatessens, cafes, cafeterias, restaurants, and
25 other similar retailers that are principally engaged in the retail
26 sale of foods prepared by them for consumption on or off their
27 premises.
- 28 c. Sales of central office equipment and switchboard and private
29 branch exchange equipment to telephone companies regularly
30 engaged in providing telephone service to subscribers on a
31 commercial basis, and sales to these companies of prewritten
32 computer programs used in providing telephone service to their
33 subscribers.
- 34 d. Sales to commercial laundries or to pressing and dry cleaning
35 establishments of machinery used in the direct performance of
36 the laundering or the pressing and cleaning service and of parts
37 and accessories thereto.
- 38 e. Sales to freezer locker plants of machinery used in the direct
39 operation of said freezer locker plant and of parts and
40 accessories thereto.
- 41 f. Sales of broadcasting equipment and parts and accessories
42 thereto and towers to commercial radio and television
43 companies which are under the regulation and supervision of
44 the Federal Communications Commission.

- 1 g. Sales to farmers of bulk tobacco barns and racks and all parts
2 and accessories thereto and similar apparatus used for the
3 curing and drying of any farm produce.
4 h. Sales to farmers of grain, feed or soybean storage facilities and
5 accessories thereto, whether or not dryers are attached, and all
6 similar apparatus and accessories thereto for the storage of
7 grain, feed or soybeans.
8 i. Sales of containers to farmers or producers for use in the
9 planting, producing, harvesting, curing, marketing, packaging,
10 sale, or transporting or delivery of their products when such
11 containers do not go with and become part of the sale of their
12 products at wholesale or retail.
13 j. Sales to aircraft maintenance facilities of equipment for use
14 directly in the maintenance of aircraft engines or airframes."

15 Sec. 2. This act becomes effective the later of (i) July 1, 1991, or (ii) the first
16 day of the first month after the date United Air Lines, Inc., locates an aircraft
17 maintenance facility at Piedmont Triad International Airport. After United Air Lines,
18 Inc., locates an aircraft maintenance facility at Piedmont Triad International Airport, the
19 Piedmont Triad Airport Authority shall immediately certify to the Secretary of Revenue
20 the date the facility was located at the airport. This act applies to sales made on or after
21 the date it becomes effective.