

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 55*
Committee Substitute Favorable 3/1/95
Third Edition Engrossed 3/6/95

Short Title: Aquaculture Sales Tax Exemption.

(Public)

Sponsors:

Referred to:

January 30, 1995

A BILL TO BE ENTITLED
AN ACT TO PROVIDE THAT SALES TAX PREFERENCES FOR AGRICULTURE
APPLY TO AQUACULTURE.

The General Assembly of North Carolina enacts:

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

"(1d) The rate of one percent (1%) applies to the sales price of the following articles. The maximum tax is eighty dollars (\$80.00) per article.

- a. Sales to a farmer of machines and machinery, ~~whether animal or motor drawn or operated,~~ and parts and accessories for such ~~these~~ machines and ~~machinery to farmers~~ machinery, for use by ~~them~~ the farmer in the planting, cultivating, ~~harvesting~~ 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 crops or 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(4e). eggs, or animals. A 'farmer' includes a dairy operator, a poultry

1 farmer, an egg producer, a livestock farmer, a farmer of crops,
2 and a farmer of an aquatic species, as defined in G.S. 106-758.
3 Items that are exempt from tax under G.S. 105-164.13(4c) are not
4 subject to tax under this section.

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

7 The term shall include all vehicular implements, designed and
8 sold for any use defined in this subdivision, which are operated,
9 drawn or propelled by motor or animal power, but shall not
10 include vehicular implements which are operated wholly by
11 hand, and shall not include any motor vehicles required to be
12 registered under Chapter 20 of the General Statutes.

13 The term shall include all nonvehicular implements and
14 mechanical devices designed and sold for any use defined in this
15 subdivision, which have moving parts, or which require the use
16 of any motor or animal power, fuel, or electricity in their
17 operation but shall not include nonvehicular implements which
18 have no moving parts and are operated wholly by hand.

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

- 22 b. Sales of mill machinery or mill machinery parts and accessories
23 to manufacturing industries and plants, and sales to contractors
24 and subcontractors purchasing mill machinery or mill machinery
25 parts and accessories for use by them in the performance of
26 contracts with manufacturing industries and plants, and sales to
27 subcontractors purchasing mill machinery or mill machinery
28 parts and accessories for use by them in the performance of
29 contracts with general contractors who have contracts with
30 manufacturing industries and plants. As used in this paragraph,
31 the term 'manufacturing industries and plants' does not include
32 delicatessens, cafes, cafeterias, restaurants, and other similar
33 retailers that are principally engaged in the retail sale of foods
34 prepared by them for consumption on or off their premises.
- 35 c. Sales of central office equipment and switchboard and private
36 branch exchange equipment to telephone companies regularly
37 engaged in providing telephone service to subscribers on a
38 commercial basis, and sales to these companies of prewritten
39 computer programs used in providing telephone service to their
40 subscribers.
- 41 d. Sales to commercial laundries or to pressing and dry cleaning
42 establishments of machinery used in the direct performance of

1 the laundering or the pressing and cleaning service and of parts
2 and accessories thereto.

3 e. Sales to freezer locker plants of machinery used in the direct
4 operation of said freezer locker plant and of parts and accessories
5 thereto.

6 f. Sales of broadcasting equipment and parts and accessories
7 thereto and towers to commercial radio and television companies
8 which are under the regulation and supervision of the Federal
9 Communications Commission.

10 g. Sales to farmers of bulk tobacco barns and racks and all parts and
11 accessories thereto and similar apparatus used for the curing and
12 drying of any farm produce.

13 h. Sales to farmers of grain, feed or soybean storage facilities and
14 accessories thereto, whether or not dryers are attached, and all
15 similar apparatus and accessories thereto for the storage of grain,
16 feed or soybeans.

17 i. Sales of containers to farmers or producers for use in the
18 planting, producing, harvesting, curing, marketing, packaging,
19 sale, or transporting or delivery of their products when such
20 containers do not go with and become part of the sale of their
21 products at wholesale or retail."

22 Sec. 2. G.S. 105-164.13(2) reads as rewritten:

23 "(2) ~~Seeds; remedies; Seeds.~~

24 (2a) Any of the following when purchased for use in the commercial
25 production of animals or plants, as appropriate:

26 a. Remedies, vaccines, medications, litter materials, and feeds for
27 livestock and poultry; ~~rodenticides; animals.~~

28 b. Rodenticides, insecticides, herbicides, fungicides, and pesticides
29 for livestock, poultry, and agriculture; ~~defoliant-pesticides.~~

30 c. Defoliant for use on cotton or other ~~crops~~; plant crops.

31 d. Plant growth inhibitors, regulators, or ~~stimulators for agriculture~~
32 stimulators, including systemic and contact or other sucker
33 control agents for tobacco and other crops."

34 Sec. 3. G.S. 105-164.13(4c) reads as rewritten:

35 "(4c) ~~Commercially~~ Any of the following:

36 a. Commercially manufactured swine, livestock, and poultry facilities
37 to be used for commercial purposes for housing, raising, or
38 feeding of swine, livestock, or poultry ~~animals~~ or for housing
39 equipment necessary for these commercial activities; ~~building~~
40 activities.

41 b. Building materials, supplies, fixtures, and equipment ~~to be that~~
42 become a part of and are used in the construction, repair, or
43 improvement and ~~that become a part of~~ an enclosure or a structure

1 specifically designed, ~~constructed~~ constructed, and used for such
2 ~~above commercial purposes; and commercially for housing, raising,~~
3 ~~or feeding animals or for housing equipment necessary for one of~~
4 ~~these commercial activities.~~
5 c. Commercially manufactured swine, livestock, and poultry
6 equipment, and parts and accessories therefor placed or installed in
7 or affixed to such facilities, enclosures, or structures. for the
8 equipment, used in a facility that is exempt from tax under this
9 subdivision or in an enclosure or a structure whose building
10 materials are exempt from tax under this subdivision."

11 Sec. 4. This act becomes effective July 1, 1995.