

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1585

Short Title: Aggregates & Asphalt Tax Uniformity. (Public)

Sponsors: Representative Crawford.

Referred to: Commerce, Small Business, and Entrepreneurship, if favorable, Finance.

May 6, 2009

A BILL TO BE ENTITLED
AN ACT TO EQUALIZE THE SALES TAX ON AGGREGATES AND ON ASPHALT AND
CONCRETE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.3 reads as rewritten:

"§ 105-164.3. Definitions.

The following definitions apply in this Article:

(1) Aggregates. – Stone, sand, gravel, recycled concrete, and recycled asphalt.
The term includes stone material that has been crushed, screened, washed, or
processed in any way.

~~(1a)~~ (1a) Analytical services. – Testing laboratories that are included in national
industry 541380 of NAICS or medical laboratories that are included in
national industry 621511 of NAICS.

~~(1a)~~ (1b) Ancillary service. – A service associated with or incidental to the provision
of a telecommunications service. The term includes detailed
communications billing, directory assistance, vertical service, and voice mail
service. A vertical service is a service, such as call forwarding, caller ID,
three-way calling, and conference bridging, that allows a customer to
identify a caller or manage multiple calls and call connections.

(1c) Asphalt and concrete. – Bituminous asphalt, hot mix asphalt, Superpave mix
asphalt, and unhardened concrete, however manufactured.

~~(1b)~~ (1d) Bundled transaction. – A retail sale of two or more distinct and identifiable
products, at least one of which is taxable and one of which is exempt, for
one nonitemized price. Products are not sold for one nonitemized price if an
invoice or another sales document made available to the purchaser separately
identifies the price of each product. A bundled transaction does not include
the retail sale of any of the following:

a. A product and any packaging item that accompanies the product and
is exempt under G.S. 105-164.13(23).

b. A sale of two or more products whose combined price varies, or is
negotiable, depending on the products the purchaser selects.

c. A sale of a product accompanied by a transfer of another product
with no additional consideration.

d. A product and the delivery or installation of the product.

e. A product and any service necessary to complete the sale.

~~(1d)~~ (1e) Business. – Includes any activity engaged in by any person or caused to be
engaged in by him with the object of gain, profit, benefit or advantage, either



1 direct or indirect. The term "business" shall not be construed in this Article
2 to include occasional and isolated sales or transactions by a person who does
3 not hold himself out as engaged in business.

4"

5 **SECTION 2.** G.S. 105-164.13 reads as rewritten:

6 **"§ 105-164.13. Retail sales and use tax.**

7 The sale at retail, the use, storage or consumption in this State of the following tangible
8 personal property is specifically exempted from the tax imposed by this Article:

9 ...

10 (3) Products of forests and mines in their original or unmanufactured state when
11 ~~such sales are made~~sold by the producer in the capacity of producer. This
12 subdivision does not apply to sales of aggregates."

13 ...

14 (40a) Sales of aggregates to contractors or subcontractors for use by them in the
15 performance of contracts with the Department of Transportation or with a
16 governmental entity listed in G.S. 105-164.14(c).

17 (40b) Asphalt and concrete.

18"

19 **SECTION 3.** This act becomes effective July 1, 2009. This act does not apply to
20 aggregates purchased to fulfill a lump-sum or unit-price contract entered into or awarded before
21 the effective date of this act or entered into or awarded pursuant to a bid made before the
22 effective date of this act.