

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1471  
Committee Substitute Without Prejudice 5/1/89

Short Title: Clarify Precious Metals Tax.

(Public)

Sponsors:

Referred to:

April 28, 1989

A BILL TO BE ENTITLED  
AN ACT TO CLARIFY THE AD VALOREM TAX STATUS OF PRECIOUS  
METALS USED IN THE MANUFACTURING PROCESS.

The General Assembly of North Carolina enacts:

Section 1. Article 12 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-277.10. Precious metals used or held to be used directly in manufacturing or processing by manufacturers - taxation at present-use value.**

The following class of property is designated a special class of property under Article V, Sec. 2(2) of the North Carolina Constitution and shall be appraised for taxation at its present-use value: precious metals, including rhodium and platinum, used or held for use directly in manufacturing or processing by manufacturers as part of industrial machinery.

For the purpose of this section, the term 'present-use value' means the lower of true value in money, or the manufacturer's original cost less depreciation. The depreciable life of the classified property shall be the life assigned to the industrial machinery with which such property is used within the manufacturing process. The residual value of the classified property shall be no more than twenty-five percent (25%) of the manufacturer's original cost."

Sec. 2. G.S. 105-282.1(a)(3) reads as rewritten:

"(3) After an owner of property entitled to exemption under G.S. 105-277.1, 105-278.3, 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8 , use value taxation under G.S. 105-277.10, or

1 exclusion under G.S. 105-275(3), (7) or (12) or G.S. 105-278 has  
2 applied for ~~exemption~~ the tax benefit and the ~~exemption~~ application  
3 has been approved, ~~such~~ the owner shall not be required to file  
4 applications in subsequent years except in the following  
5 circumstances:

6 a. New or additional property is acquired or  
7 improvements are added or removed,

8 Necessitating a change in the valuation of the property, or

9 b. There is a change in the use of the property or the  
10 qualifications or eligibility of the taxpayer necessitating a  
11 review of the exemption."

12 Sec. 3. This act is effective for taxable years beginning on or after January 1,  
13 1989. Notwithstanding the provisions of G.S. 105-277.4(a), an application for the  
14 benefit provided in this act for the 1989 taxable year shall be considered timely if it is  
15 filed on or before September 1, 1989.