

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2402
Committee Substitute Favorable 7/11/90

Short Title: Apply Egg Tax To Processed Eggs.

(Public)

Sponsors:

Referred to:

July 5, 1990

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND THE EGG PROMOTION TAX TO INCLUDE PROCESSED
3 EGGS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 106-245.32 reads as rewritten:

6 "**§ 106-245.32. Levy of tax; ~~rules and regulations.~~ rules.**

7 ~~There is hereby levied on each 30 dozen case of eggs sold for use in North Carolina~~
8 ~~an excise tax of five cents (5¢) per case; provided, however, such tax shall be levied~~
9 ~~only once. An excise tax is levied on eggs and processed eggs sold for use in this State.~~
10 The tax on eggs is five cents (5¢) for each case of 30 dozen eggs. The tax on processed
11 eggs is eleven cents (11¢) for each 100 pounds of processed eggs sold for use in this
12 State. The tax imposed by this section is payable only once on the same eggs or
13 processed eggs.

14 Processed eggs include frozen eggs, liquid eggs, and hard-cooked eggs. 'Use'
15 means consumption by the consumer. The Board may ~~promulgate~~ adopt rules and
16 ~~regulations as are necessary for the interpretation, administration and enforcement of to~~
17 administer this tax."

18 Sec. 2. G.S. 106-245.33 reads as rewritten:

19 "**§ 106-245.33. ~~Handler to remit tax to Department of Agriculture; report~~ Report and**
20 **payment of tax by handler; definition and functions of handler.**

21 (a) ~~For the purpose of carrying out the provisions of this Article, the handler of~~
22 ~~eggs on which a tax has been levied in accordance with the provisions of this Article~~
23 ~~shall remit such tax or assessment to the Department in the manner and at the time~~

1 hereinafter provided.—The tax imposed by this Article is payable monthly to the
2 Department by the handler of eggs or processed eggs. The tax is due when a report is
3 required to be filed. A handler shall file a report with the Department on a form
4 provided by the Department within 20 days after the end of each month. The report
5 shall state the volume of eggs or processed eggs handled by the handler during the
6 preceding month. Reports to the Department shall be on forms prescribed and furnished
7 by the Commissioner and shall be a statement of gross volume of eggs subject to the tax
8 which have been packed, processed or handled by the handler in the previous month and
9 shall be filed with the Department by the 20th day of each month. The tax levied on
10 eggs shall be due and payable by the handler on the same day that the report is due.
11 Such tax shall be paid to the Department and shall be deposited with the State Treasurer
12 to the credit of the North Carolina Egg Fund.

13 (b) The term 'handler' means any person who operates a grading station in North
14 Carolina, a packer, ~~huckster~~ huckster, or distributor who handles eggs in North Carolina
15 or ~~Carolina~~, a farmer who packs, ~~processes~~ processes, or otherwise performs the
16 functions of a handler in North Carolina. ~~Carolina~~, or a distributor or seller of processed
17 eggs. The term 'handler' includes any person in North Carolina who purchases eggs for
18 sale or distribution or any farmer in North Carolina who sells or distributes eggs to
19 anyone other than a registered handler.

20 For purposes of this Article, the functions of a handler of eggs or processed eggs
21 include the sale, ~~distribution~~ distribution, or other disposition of eggs or processed eggs
22 in North Carolina regardless of where the eggs or processed eggs were produced or
23 purchased.

24 The term 'registered handler' means any person who has registered with the
25 Department to receive monthly return forms for reporting the tax levied ~~herein~~ by this
26 Article.

27 Every person, whether inside or outside the State, who engages in business in North
28 Carolina as a handler is required to register and to collect and pay the tax due on all
29 eggs or processed eggs sold or delivered for storage, use or consumption in this State.
30 ~~Such handlers~~ A handler shall maintain a certificate of registration, file ~~returns~~ returns,
31 and perform all other duties required of handlers."

32 Sec. 3. G.S. 106-245.34 reads as rewritten:

33 "**§ 106-245.34. Exemptions.**

34 ~~The eggs of any person selling~~ Eggs sold by a handler who sells less than 500 cases per
35 a year shall be are exempt from the tax levied under this Article. Processed eggs sold by
36 a handler who sells less than 1,000 pounds of processed eggs a year are exempt from the
37 tax levied under this Article. The Board shall establish a procedure for returning taxes
38 paid by exempt persons on exempt eggs or processed eggs."

39 Sec. 4. G.S. 106-245.35 reads as rewritten:

40 "**§ 106-245.35. Records to be kept by handler.**

41 The handler shall keep a complete record of the eggs or processed eggs subject to the
42 provisions of this Article which have been packed, processed or handled by him and shall
43 preserve such records for a period of not less than two years from the time such the eggs
44 or processed eggs were packed, processed or handled. ~~Such~~ These records shall be open

1 for inspection by the Commissioner or his duly authorized agents and shall be
2 established and maintained as required by the Commissioner."

3 Sec. 5. G.S. 106-245.38 reads as rewritten:

4 **"§ 106-245.38. Violations.**

5 (a) It shall be a misdemeanor for any handler knowingly to report falsely to the
6 Department the quantity of eggs or processed eggs handled by him during any ~~period or~~
7 period, to falsify the records of the eggs or processed eggs handled by him, ~~or~~ to fail to
8 keep a complete record of the eggs or processed eggs handled by him, or to fail to
9 preserve ~~such the~~ records for a period of not less than two years from the time ~~such the~~
10 eggs or processed eggs are handled.

11 (b) It shall be a violation of the North Carolina Egg ~~Law~~ Law, Article 25A of this
12 Chapter, for a handler to fail to register as required ~~herein, and any by this Article~~. Any
13 eggs transported, sold ~~or offered for sale by such a handler who is not a registered~~
14 handler shall be subject to the stop-sale and penalty provisions of the North Carolina
15 Egg ~~Law (G.S. 106-245.13 et seq.)~~ Law."

16 Sec. 6. This act shall become effective October 1, 1990.