

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1290
Committee Substitute Favorable 6/24/99

Short Title: Limit Recycling Tax Incentives.

(Public)

Sponsors:

Referred to:

April 19, 1999

A BILL TO BE ENTITLED

1 AN ACT TO REMOVE THE SPECIAL TAX TREATMENT FOR CERTAIN
2 EQUIPMENT AND FACILITIES FOR RECYCLING, WASTE REDUCTION, OR
3 RESOURCE RECOVERY WHEN ACQUIRED MORE THAN TWO YEARS
4 PRIOR TO THE DATE OF APPLICATION FOR CERTIFICATION BY THE
5 DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND TO
6 LIMIT TO THREE YEARS THE CERTIFICATION FOR SPECIAL TAX
7 TREATMENT FOR CERTAIN REAL PROPERTY USED FOR RECYCLING,
8 WASTE REDUCTION, OR RESOURCE RECOVERY.
9

10 The General Assembly of North Carolina enacts:

11 Section 1. G.S. 130A-294(a)(3) reads as rewritten:

12 "(3) Develop and adopt rules to establish standards for qualification as a
13 'recycling, reduction or resource recovering facility' or as 'recycling,
14 reduction or resource recovering equipment' for the purpose of special
15 tax classifications or treatment, and to certify as qualifying those
16 applicants which meet the established standards. The standards shall be
17 developed to qualify only those facilities and equipment exclusively
18 used in the actual waste recycling, reduction or resource recovering
19 process and shall exclude any incidental or supportive facilities and

1 ~~equipment;~~ equipment. The following limitations apply to an applicant
2 that is not a large recycling facility or a major recycling facility,
3 qualified under G.S. 105-129.26:

4 a. Facilities or equipment acquired by the applicant or a related
5 person more than two years before the date application is made
6 for certification under this subdivision shall not be certified as
7 qualifying for special tax classification or treatment under this
8 subdivision.

9 b. A certificate that qualifies real property for special tax
10 classification or treatment under this subdivision is limited to
11 three years after the date the certificate is issued and shall not be
12 renewed or reissued for that applicant or a related person.

13 For purposes of this subdivision, 'related person' means a related person
14 as determined under section 267(b) or 707(b) of the Internal Revenue
15 Code."

16 Section 2. This act is effective for taxes imposed for taxable years beginning
17 on or after July 1, 2000.