

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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HOUSE DRH10518-MC-251A (03/27)

Short Title: Expand 1%/\$80 Rate for Mill Machinery. (Public)

Sponsors: Representatives Malone, Lewis, Starnes, and Collins (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY THE SCOPE OF TAX IMPOSED ON MILL MACHINERY.  
3 The General Assembly of North Carolina enacts:

4 SECTION 1. G.S. 105-187.51B reads as rewritten:

5 "§ 105-187.51B. Tax imposed on certain recyclers, research and development companies,  
6 industrial machinery refurbishing companies, and companies located at ports  
7 facilities.

8 (a) Tax. – A privilege tax is imposed on the following:

9 ...  
10 (6) A company (i) that is engaged at the establishment in fabrication of metal  
11 work, (ii) that performs work included in industry group 332312, 332313, or  
12 332322, (iii) that has annual gross receipts, including the gross receipts of all  
13 related persons as defined in G.S. 105-163.010, from the fabrication of metal  
14 work of at least eight million dollars (\$8,000,000), and (iv) that purchases  
15 equipment or an attachment or repair part for equipment that meets all of the  
16 following requirements:

- 17 a. Is capitalized by the company for tax purposes under the Code.  
18 b. Is used by the company at the establishment in the fabrication or  
19 manufacture of metal products or used by the company at the  
20 establishment to create equipment for the fabrication or manufacture  
21 of metal products.  
22 c. Would be considered mill machinery or mill machinery parts or  
23 accessories under G.S. 105-187.51 if it were purchased by a  
24 manufacturing industry or plant and used by the industry or plant to  
25 manufacture tangible personal property.

26 (7) A company that is primarily a secondary metals recycler, as defined in  
27 G.S. 66-420, that purchases equipment or an attachment or repair part for  
28 equipment that meets all of the following requirements:

- 29 a. Is capitalized by the company for tax purposes under the Code.  
30 b. Is used by the company at the establishment in the secondary metals  
31 recycling activities in which it is primarily engaged.  
32 c. Would be considered mill machinery or mill machinery parts or  
33 accessories under G.S. 105-187.51 if it were purchased by a  
34 manufacturing industry or plant and used by the industry or plant to  
35 manufacture tangible personal property.



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- 1       (b)     Rate. – The tax is one percent (1%) of the sales price of the equipment or other  
2     tangible personal property. The maximum tax is eighty dollars (\$80.00) per article."  
3       **SECTION 2.** This act becomes effective July 1, 2010, and applies to purchases  
4     made on or after that date.