

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**2**

**HOUSE BILL 1895**  
**Committee Substitute Favorable 7/27/07**

Short Title: Tax on Heavy Equipment Rental Agreements.

(Public)

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Sponsors:

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Referred to:

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April 30, 2007

A BILL TO BE ENTITLED

1  
2 AN ACT TO AUTHORIZE THE REVENUE LAWS STUDY COMMITTEE TO  
3 STUDY A GROSS RECEIPTS TAX ON HEAVY EQUIPMENT PROPERTY  
4 RENTALS IN LIEU OF A PROPERTY TAX ON THE EQUIPMENT.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** The Revenue Laws Study Committee may study the issue of  
7 whether to impose a gross receipts tax on heavy equipment property rentals in lieu of a  
8 property tax on the equipment. The study shall include a review of the revenue  
9 generated by the property tax on heavy equipment, what industries and types of  
10 equipment are rented, what industries and types of equipment are appropriate to be  
11 taxed on the basis of gross receipts instead of by property tax, and whether a gross  
12 receipts tax violates any provision of the Streamlined Sales and Use Tax Agreement.

13 **SECTION 2.** The Revenue Laws Study Committee may make an interim  
14 report to the 2008 Regular Session of the 2007 General Assembly and shall make a  
15 report on its study, including any recommendations or legislative proposals, to the 2009  
16 General Assembly.

17 **SECTION 3.** This act is effective when it becomes law.