

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 55*
Committee Substitute Favorable 3/1/95

Short Title: Aquaculture Sales Tax Exemption.

(Public)

Sponsors:

Referred to:

January 30, 1995

A BILL TO BE ENTITLED
AN ACT TO PROVIDE THAT SALES TAX PREFERENCES FOR AGRICULTURE
APPLY TO AQUACULTURE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.4(a)(1d) reads as rewritten:

"(1d) The rate of one percent (1%) applies to the sales price of the following articles. The maximum tax is eighty dollars (\$80.00) per article.

- a. Sales to a farmer of machines and machinery, ~~whether animal or motor drawn or operated,~~ and parts and accessories for ~~such these~~ machines and ~~machinery to farmers~~ machinery, for use by ~~them~~ the farmer in the planting, cultivating, ~~harvesting~~ harvesting, or curing of farm crops, and sales of machines and machinery and parts and accessories for such machines and machinery to dairy operators, poultry farmers, egg producers, and livestock farmers for use by them ~~in crops or in the production of dairy products, poultry, eggs or livestock, except such machines, machinery, equipment, parts, and accessories that come within the provisions of G.S. 105-164.13(4e).~~ eggs, or animals. A 'farmer' includes a dairy operator, a poultry farmer, an egg producer, a livestock farmer, and a farmer of an

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1 aquatic species, as defined in G.S. 106-758. Items that are
2 exempt from tax under G.S. 105-164.13(4c) are not subject to tax
3 under this section.

4 The term 'machines and machinery' as used in this
5 subdivision is defined as follows:

6 The term shall include all vehicular implements, designed and
7 sold for any use defined in this subdivision, which are operated,
8 drawn or propelled by motor or animal power, but shall not
9 include vehicular implements which are operated wholly by
10 hand, and shall not include any motor vehicles required to be
11 registered under Chapter 20 of the General Statutes.

12 The term shall include all nonvehicular implements and
13 mechanical devices designed and sold for any use defined in this
14 subdivision, which have moving parts, or which require the use
15 of any motor or animal power, fuel, or electricity in their
16 operation but shall not include nonvehicular implements which
17 have no moving parts and are operated wholly by hand.

18 The term shall also include metal flues sold for use in curing
19 tobacco, whether such flues are attached to handfired furnaces or
20 used in connection with mechanical burners.

21 b. Sales of mill machinery or mill machinery parts and accessories
22 to manufacturing industries and plants, and sales to contractors
23 and subcontractors purchasing mill machinery or mill machinery
24 parts and accessories for use by them in the performance of
25 contracts with manufacturing industries and plants, and sales to
26 subcontractors purchasing mill machinery or mill machinery
27 parts and accessories for use by them in the performance of
28 contracts with general contractors who have contracts with
29 manufacturing industries and plants. As used in this paragraph,
30 the term 'manufacturing industries and plants' does not include
31 delicatessens, cafes, cafeterias, restaurants, and other similar
32 retailers that are principally engaged in the retail sale of foods
33 prepared by them for consumption on or off their premises.

34 c. Sales of central office equipment and switchboard and private
35 branch exchange equipment to telephone companies regularly
36 engaged in providing telephone service to subscribers on a
37 commercial basis, and sales to these companies of prewritten
38 computer programs used in providing telephone service to their
39 subscribers.

40 d. Sales to commercial laundries or to pressing and dry cleaning
41 establishments of machinery used in the direct performance of
42 the laundering or the pressing and cleaning service and of parts
43 and accessories thereto.

- 1 e. Sales to freezer locker plants of machinery used in the direct
2 operation of said freezer locker plant and of parts and accessories
3 thereto.
- 4 f. Sales of broadcasting equipment and parts and accessories
5 thereto and towers to commercial radio and television companies
6 which are under the regulation and supervision of the Federal
7 Communications Commission.
- 8 g. Sales to farmers of bulk tobacco barns and racks and all parts and
9 accessories thereto and similar apparatus used for the curing and
10 drying of any farm produce.
- 11 h. Sales to farmers of grain, feed or soybean storage facilities and
12 accessories thereto, whether or not dryers are attached, and all
13 similar apparatus and accessories thereto for the storage of grain,
14 feed or soybeans.
- 15 i. Sales of containers to farmers or producers for use in the
16 planting, producing, harvesting, curing, marketing, packaging,
17 sale, or transporting or delivery of their products when such
18 containers do not go with and become part of the sale of their
19 products at wholesale or retail."

20 Sec. 2. G.S. 105-164.13(2) reads as rewritten:

21 "(2) ~~Seeds; remedies; Seeds.~~

22 (2a) Any of the following when purchased for use in the commercial
23 production of animals or plants, as appropriate:

- 24 a. Remedies, vaccines, medications, litter materials, and feeds for
25 livestock and poultry; rodenticides; animals.
- 26 b. Rodenticides, insecticides, herbicides, fungicides, and pesticides
27 for livestock, poultry, and agriculture; defoliant-pesticides.
- 28 c. Defoliant for use on cotton or other ~~crops~~; plant crops.
- 29 d. Plant growth inhibitors, regulators, or stimulators ~~for agriculture~~
30 stimulators, including systemic and contact or other sucker
31 control agents for tobacco and other crops."

32 Sec. 3. G.S. 105-164.13(4c) reads as rewritten:

33 "(4c) ~~Commercially~~ Any of the following:

- 34 a. Commercially manufactured swine, livestock, and poultry facilities
35 to be used for commercial purposes for housing, raising, or
36 feeding of swine, livestock, or poultry animals or for housing
37 equipment necessary for these commercial activities; ~~building~~
38 activities.
- 39 b. Building materials, supplies, fixtures, and equipment to be that
40 become a part of and are used in the construction, repair, or
41 improvement and that become a part of an enclosure or a structure
42 specifically designed, constructed-constructed, and used for such
43 above commercial purposes; and commercially for housing, raising,

1 or feeding animals or for housing equipment necessary for one of
2 these commercial activities.

3 c. Commercially manufactured swine, livestock, and poultry
4 equipment, and parts and accessories therefor placed or installed in
5 or affixed to such facilities, enclosures, or structures. — for the
6 equipment, used in a facility that is exempt from tax under this
7 subdivision or in an enclosure or a structure whose building
8 materials are exempt from tax under this subdivision."

9 Sec. 4. This act becomes effective July 1, 1995.