

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1454

Short Title: Equalize Telecommunications Tax.

(Public)

Sponsors: Representative Hackney.

Referred to: Finance.

April 28, 1989

A BILL TO BE ENTITLED

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2 AN ACT TO EQUALIZE TAX TREATMENT OF TOLL TELECOMMUNICATIONS
3 SERVICES AND PRIVATE TELECOMMUNICATIONS SERVICES THAT
4 ORIGINATE OR TERMINATE IN THIS STATE AND ARE CHARGED TO A
5 SERVICE ADDRESS IN THIS STATE.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 105-164.4(4c) reads as rewritten:

8 "(4c) At the rate of six and one-half percent (6 1/2%) of the gross receipts derived
9 from providing toll telecommunications services or private telecommunications services
10 as defined by G.S. 105-120(a) that both originate from and terminate in the State which
11 are not subject to the privilege tax under G.S. 105-~~120~~-120 or the sales tax under G.S.
12 105-164.4(4d). Any business entity that provides the service outlined above is
13 considered a retailer under this Article. This subdivision shall not apply to telephone
14 membership corporations as described in Chapter 117 of the General Statutes."

15 Sec. 2. G.S. 105-164.4 is amended by adding a new subdivision to read:

16 "(4d) At the rate of six and one-half percent (6 1/2%) of the gross receipts charged
17 to the purchaser's service address in this State and derived from providing toll
18 communications services or private telecommunications services as defined by G.S.
19 105-120(a) that either originate in this State and terminate outside this State or originate
20 outside this State and terminate in this State. Any business entity that provides the
21 service outlined above is considered a retailer under this Article. This subdivision shall
22 not apply to telephone membership corporations as described in Chapter 117 of the
23 General Statutes."

1 Where a tax is due and has been paid with respect to the services in another state by
2 the purchaser, that tax shall be credited upon the tax imposed by this subdivision. If the
3 amount of the tax paid to another state is less than the amount of tax imposed by this
4 subdivision, the purchaser shall pay an amount sufficient to make the tax paid to the
5 other state and this State equal to the amount imposed by this subdivision. The
6 Secretary of Revenue may require such proof of payment of tax to another state as she
7 deems necessary."

8 Sec. 3. This act shall become effective October 1, 1989, and applies to
9 telecommunications services provided on or after that date.