

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 362

Short Title: Clarify Inventory Tax Exemption.

(Public)

Sponsors: Representatives Flaherty; Buchanan, Grimmer, and Robinson.

Referred to: Finance.

March 28, 1991

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THAT THE PROPERTY TAX EXEMPTION FOR INVENTORIES OF MANUFACTURERS, WHOLESALERS, AND RETAILERS DOES NOT APPLY TO INVENTORIES OF CONTRACTORS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-273(8a) reads as rewritten:

"(8a) 'Inventories' means goods held for sale in the regular course of business by manufacturers and retail and wholesale merchants. As to manufacturers, the term includes raw materials, goods in process, and finished goods, as well as other materials or supplies that are consumed in manufacturing or processing, or that accompany and become a part of the sale of the property being sold. The term also includes crops, livestock, poultry, feed used in the production of livestock and poultry, and other agricultural or horticultural products held for sale, whether in process or ready for sale. The term does not include fuel used in manufacturing or processing, nor does it include materials or supplies not used directly in manufacturing or processing. As to retail and wholesale merchants, the term includes, in addition to articles held for sale, packaging materials that accompany and become a part of the sale of the property being sold. The term does not include goods held by a contractor to be furnished in the course of building, installing, repairing, or improving property. If a person is engaged in business both as a contractor and as a retail or wholesale merchant,

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1 the term includes only those goods held by the person for resale as
2 determined under the provisions of Article 5 of this Chapter."
3 Sec. 2. This act is effective upon ratification.