

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1993**

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**HOUSE BILL 709**

Short Title: Safety Equipment Tax Preference.

(Public)

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Sponsors: Representatives Weatherly; Arnold, Berry, Brawley, Cole, Culp, Dockham, Edwards, Gray, Hayes, Howard, Mavretic, McCombs, McLaughlin, Mercer, Miner, Mitchell, Nichols, J. Preston, Robinson, Smith, and G. Thompson.

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Referred to: Finance.

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April 1, 1993

A BILL TO BE ENTITLED

AN ACT TO EXTEND THE ONE PERCENT MANUFACTURERS' SALES TAX  
RATE ON MACHINERY TO APPLY TO WORKER SAFETY EQUIPMENT.

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 of machines and machinery, whether animal or motor drawn or operated, and parts and accessories for such machines and machinery to farmers for use by them in the planting, cultivating, 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 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(4c).

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

The term shall include all vehicular implements, designed and sold for any use defined in this subdivision, which are operated, drawn or propelled by motor or animal power, but

1 shall not include vehicular implements which are operated  
2 wholly by hand, and shall not include any motor vehicles  
3 required to be registered under Chapter 20 of the General  
4 Statutes.

5 The term shall include all nonvehicular implements and  
6 mechanical devices designed and sold for any use defined in  
7 this subdivision, which have moving parts, or which require the  
8 use of any motor or animal power, fuel, or electricity in their  
9 operation but shall not include nonvehicular implements which  
10 have no moving parts and are operated wholly by hand.

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

- 14 b. Sales of mill machinery or mill machinery parts and accessories  
15 to manufacturing industries and plants, and sales to contractors  
16 and subcontractors purchasing mill machinery or mill  
17 machinery parts and accessories for use by them in the  
18 performance of contracts with manufacturing industries and  
19 plants, and sales to subcontractors purchasing mill machinery or  
20 mill machinery parts and accessories for use by them in the  
21 performance of contracts with general contractors who have  
22 contracts with manufacturing industries and plants. As used in  
23 this paragraph, the term 'manufacturing industries and plants'  
24 does not include delicatessens, cafes, cafeterias, restaurants, and  
25 other similar retailers that are principally engaged in the retail  
26 sale of foods prepared by them for consumption on or off their  
27 premises.
- 28 c. Sales of central office equipment and switchboard and private  
29 branch exchange equipment to telephone companies regularly  
30 engaged in providing telephone service to subscribers on a  
31 commercial basis, and sales to these companies of prewritten  
32 computer programs used in providing telephone service to their  
33 subscribers.
- 34 d. Sales to commercial laundries or to pressing and dry cleaning  
35 establishments of machinery used in the direct performance of  
36 the laundering or the pressing and cleaning service and of parts  
37 and accessories thereto.
- 38 e. Sales to freezer locker plants of machinery used in the direct  
39 operation of said freezer locker plant and of parts and  
40 accessories thereto.
- 41 f. Sales of broadcasting equipment and parts and accessories  
42 thereto and towers to commercial radio and television  
43 companies which are under the regulation and supervision of  
44 the Federal Communications Commission.

- 1                   g.     Sales to farmers of bulk tobacco barns and racks and all parts  
2                   and accessories thereto and similar apparatus used for the  
3                   curing and drying of any farm produce.  
4                   h.     Sales to farmers of grain, feed or soybean storage facilities and  
5                   accessories thereto, whether or not dryers are attached, and all  
6                   similar apparatus and accessories thereto for the storage of  
7                   grain, feed or soybeans.  
8                   i.     Sales of containers to farmers or producers for use in the  
9                   planting, producing, harvesting, curing, marketing, packaging,  
10                  sale, or transporting or delivery of their products when such  
11                  containers do not go with and become part of the sale of their  
12                  products at wholesale or retail.  
13                  j.     Sales to manufacturing industries and plants, and to contractors  
14                  and subcontractors on contracts with manufacturing industries  
15                  and plants, of safety equipment designed for personal use and  
16                  required by the North Carolina Occupational Safety and Health  
17                  Act or by another State or federal workplace safety law."

18                  Sec. 2. This act becomes effective July 1, 1993, and applies to sales made on  
19                  or after that date.