

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 109*

Short Title: Aquaculture Sales Tax Exemption.

(Public)

Sponsors: Senators Albertson; Warren, Carpenter, and Speed.

Referred to: Finance.

February 1, 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. 105-164.3 is amended by renumbering subdivision (1) as
subdivision (2) and adding the following definitions in the appropriate alphabetical order:

"(1) Aquaculture. – Defined in G.S. 106-758.

(1.1) Aquaculture facility. – Defined in G.S. 106-758.

(1.2) Aquatic species. – Defined in G.S. 106-758."

Sec. 2. 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 these machines
and machinery, to farmers, dairy operators, poultry farmers, egg
producers, livestock farmers, and aquatic species farmers for use
by them in the planting, cultivating, harvesting, or curing of farm
crops, in the production of dairy products, poultry, eggs, or
livestock, or in aquaculture. Items that are exempt from tax
under G.S. 105-164.13(4c) are not subject to tax under this

1 ~~section. such machines and machinery to farmers for use by them in~~
2 ~~the planting, cultivating, harvesting or curing of farm crops, and sales~~
3 ~~of machines and machinery and parts and accessories for such~~
4 ~~machines and machinery to dairy operators, poultry farmers, egg~~
5 ~~producers, and livestock farmers for use by them in the production of~~
6 ~~dairy products, poultry, eggs or livestock, except such machines,~~
7 ~~machinery, equipment, parts, and accessories that come within the~~
8 ~~provisions of G.S. 105-164.13(4c).~~

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

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

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

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

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

39 c. Sales of central office equipment and switchboard and private
40 branch exchange equipment to telephone companies regularly
41 engaged in providing telephone service to subscribers on a
42 commercial basis, and sales to these companies of prewritten

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

26 Sec. 3. G.S. 105-164.13(2) reads as rewritten:

27 "(2) Seeds; remedies, vaccines, medications, litter materials, and feeds for
28 livestock and ~~poultry~~; poultry and for commercially raised aquatic
29 species; rodenticides, insecticides, herbicides, fungicides, and pesticides
30 for livestock, poultry, aquaculture, and agriculture; defoliant for use on
31 cotton or other crops; plant growth inhibitors, regulators, or stimulators
32 for aquaculture or agriculture including systemic and contact or other
33 sucker control agents for tobacco and other crops."

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

35 "(4c) Commercially manufactured swine, livestock, and poultry facilities and
36 commercially manufactured aquaculture facilities to be used for
37 commercial purposes for housing, raising, or feeding of swine,
38 livestock, aquatic species, or poultry or for housing equipment
39 necessary for these commercial activities; building materials, supplies,
40 fixtures, and equipment to be used in the construction, repair, or
41 improvement and that become a part of an enclosure or structure
42 specifically designed, constructed and used for such above commercial
43 purposes; and commercially manufactured swine, livestock, ~~and poultry~~

1 poultry, and aquaculture equipment, parts and accessories therefor
2 placed or installed in or affixed to ~~such~~ these facilities, enclosures, or
3 structures."

4 Sec. 5. This act becomes effective July 1, 1995.