

June 13, 2002

S 1396. MAKE UTILITY TAXES LOCAL OPTION. TO CONVERT PART OF THE ELECTRIC POWER COMPANY GROSS RECEIPTS TAX TO A LOCAL OPTION GROSS RECEIPTS TAX AND TO CONVERT PART OF THE PIPED NATURAL GAS EXCISE TAX TO A LOCAL OPTION EXCISE TAX.

Local privilege tax on electric power companies. Adds new GS 105-116.2 authorizing a city to levy an annual privilege tax on an electric power company. Provides that tax rate must be at 3.09% of the company's taxable gross receipts from sales of electricity, electric lights, current, or power in city less gross receipts reported under GS 105-166(b)(2). Sets out procedures for levying and administering tax and for distributing tax proceeds. Provides that so long as a city is authorized to levy this tax, no city may impose or collect any greater franchise, privilege, or license taxes, in the aggregate, on the businesses taxed under this section, than was imposed and collected on or before Jan. 1, 1947. Amends GS 105-116 to provide that an electric power company is allowed a credit against franchise or privilege tax imposed by this section on its gross receipts equal to the tax paid on those receipts under GS 105-116.2.

Local tax on piped natural gas. Rewrites GS 105-187.44 to authorize a city to levy an excise tax on piped natural gas received for consumption in the city. Sets out procedures for levying and administering tax and for distributing tax proceeds. Sets tax rate, which is based on monthly therm volumes of piped natural gas received by the end-user of the gas. Allows credit under GS 105-187.41 for tax imposed by this section.

Distribution of part of telecommunications tax to cities. Amends GS 105-164.44F(c) and – 164.44F(d) to provide that the share of telecommunications tax of a city incorporated before Jan. 1, 2002, and of city served by a telephone membership corporation is proportionate share of amount to be distributed to all such cities minus $\frac{1}{4}$ of its electric power freeze deduction as defined in act.

Effective date. Effective Jan. 1, 2003.

Intro. by Clodfelter.

Ref. to Finance	GS 105
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