

April 26, 2007

H 1895. TAX ON HEAVY EQUIPMENT RENTAL AGREEMENTS. Filed 4/26/07. *TO IMPOSE A GROSS RECEIPTS TAX ON HEAVY EQUIPMENT PROPERTY RENTALS IN LIEU OF A PROPERTY TAX ON THE EQUIPMENT.*

Enacts a new GS 153A-152(c) and GS 160A-211(e) to authorize counties and cities, respectively, to levy a tax of up to 0.75% on gross receipts from heavy equipment rentals by businesses engaged in renting construction, mining, forestry, commercial, and industrial equipment, as defined. Requires the taxpayer to specify the tax rate in each rental agreement. For purposes of the tax, the location of a rental is the location of the entity from which the customer takes delivery of the rented equipment. The earliest a tax may become effective is July 1, 2008. Enacts new GS 105-275(43) excluding from property tax heavy equipment the rental of which is subject to tax under one of the new subsections, effective beginning with the 2008-09 tax year.

Intro. by Saunders.

GS 105, 153A, 160A

July 27, 2007

H 1895. TAX ON HEAVY EQUIPMENT RENTAL AGREEMENTS. Filed 4/26/07. House committee substitute deletes all provisions of the 1st edition and replaces it with *AN ACT TO AUTHORIZE THE REVENUE LAWS STUDY COMMITTEE TO STUDY A GROSS RECEIPTS TAX ON HEAVY EQUIPMENT PROPERTY RENTALS IN LIEU OF A PROPERTY TAX ON THE EQUIPMENT.* As title indicates, with an interim report authorized to the 2008 session and a final report required to the 2009 session.