

May 21, 2008

H 2446. TAX ON SHORT-TERM HEAVY EQUIPMENT RENTALS. Filed 5/21/08. *TO RESOLVE PROBLEMS WITH APPLYING PROPERTY TAX TO HEAVY EQUIPMENT RENTED ON A SHORT-TERM BASIS BY REPLACING THE PROPERTY TAX ON THIS EQUIPMENT WITH A TAX ON THE GROSS RECEIPTS FROM RENTING THE EQUIPMENT.*

Adds new GS 153A-156.1 (for counties) and GS 160A-215.2 (for cities), allowing counties and cities to impose a tax (1.1% for counties, 0.65% for cities) on the gross receipts from the short-term rental of heavy equipment (defined as a self-propelled vehicle that is not designed to be driven on a highway or industrial lift equipment, industrial material handling equipment, industrial electrical generation equipment, or similar piece of industrial equipment) by a person whose principal business is such short-term rental, and is located in the county or city. Sets out procedures for administration of the tax, its payment, and penalties. Amends GS 105-275 to provide that heavy equipment subject to this receipts tax is not subject to property tax.

Also amends GS 105-259(b) to allow a state officer or employee to disclose information on county sales and use tax to county tax collector in addition to chair of county commissioners.

Provision eliminating property tax is effective for taxable years beginning on or after July 1, 2009. Gross receipts tax may not become effective before January 1, 2009.

Intro. by Saunders.

GS 105, 153A, 160A