

February 19, 2007

**H 258. REVENUE LAWS & MOTOR FUELS TAX TECH. CHANGES.** Filed 2/19/07. TO MAKE TECHNICAL, CLARIFYING, AND ADMINISTRATIVE CHANGES TO THE REVENUE LAWS, MOTOR FUELS TAX LAWS, AND RELATED STATUTES. Amends GS 105-40 to (1) modify the definition of *nonprofit arts organization* for purposes of the amusements tax exemption and (2) clarify that the exemption for arts festivals and community festivals is conditioned on each festival lasting no more than seven consecutive days (was, seven days). Amends GS 105-129.87 (credit for creating jobs) and 105-129.88 (credit for investing in business property) to provide that thresholds are calculated separately for an urban progress or agrarian growth zone and for other areas. Amends GS 105-130.48 and 105-151.30 (oyster shell tax credit) to clarify that supporting documentation must be provided only if requested by the Secretary of Revenue.

Amends GS 105-164.13(52) to clarify that ancillary services are not subject to the sales tax exemption for certain items purchased by a state agency. Amends GS 105-164.16(d) to provide that boats and aircraft are not subject to the consumer use tax reporting exception. Amends GS 105-187.51B to extend to mill machinery parts and accessories the special reduced privilege tax in lieu of sales tax for major recycling facilities, effective July 1, 2007. Amends GS 105-187.52 to clarify that state agencies are exempt from the special reduced privilege tax in lieu of sales tax levied in Article 5F of GS Chapter 105.

Amends GS 105-258 to provide that the Secretary of Revenue's authority to summon records applies to all state-levied taxes, not just taxes levied in the Revenue Act. Amends SL 2006-162 (revenue laws technical changes) to change the effective date of changes to the disclosure provisions in GS 105-259(b)(27), (30), and (32) to July 13, 2006 (was, taxable years beginning on or after January 1, 2006). Amends GS 105-268.1 to authorize the Secretary of Revenue to share information with other governments for the purpose of obtaining data, if approved by the Governor and Council of State.

Amends various statutes relating to motor carrier and motor fuel taxes to specify that each penalty is payable to the agency that assessed the penalty. Amends GS 105-449.72(a) to provide that a fuel alcohol or biodiesel provider is not required to file a bond to be licensed as a supplier if its expected average annual tax is less than \$2,000. Effective October 1, 2007, amends GS 105-449.115(g) (defense to penalty for delivery of fuel to a state other than the destination state printed on the shipping document) to remove the seven-day deadline for obtaining a diversion confirmation number and to provide that the defense may be established without payment of the tax if the penalty is imposed on the motor fuel transporter. Repeals GS 119-17 (inspection of kerosene, gasoline and other petroleum products), the provisions of which are redundant.

Enacts new GS 115D-31.4 to supply definitions relating to development tier designation for purposes of classifying community colleges. Amends numerous local occupancy tax laws to provide that the tax and the return are due on the 20<sup>th</sup> of the month rather than the 15<sup>th</sup> of the month. Makes technical and conforming language changes to GS 53B-4, 105-113.82(a), 105-129.16E, 105-129.88, 105-164.16(b1), GS 115D-31.3(j), and 105-330.10, and Section 6 of SL 2006-128.

**Intro. by Wilkins.**

GS 53B, 105, 115D, 119, 153A, ALAMANCE, ASHE, BURKE, CALDWELL, CATAWBA, CHATHAM, CHEROKEE, CLEVELAND, COLUMBUS, DAVIDSON, FORSYTH, GASTON, GRAHAM, GUILFORD, HAYWOOD, HENDERSON, HERTFORD, HYDE, IREDELL, JACKSON, JOHNSTON, LEE, LENOIR, LINCOLN, MACON, MCDOWELL, MECKLENBURG, MITCHELL, MOORE, ONSLOW, ORANGE, PAMLICO, PENDER, PITT, POLK, RANDOLPH, ROBESON, RUTHERFORD, SWAIN, WAKE, WATAUGA, WILSON, YANCEY.