

March 21, 2007

S 1366. DATACENTER SALES TAX BILL. Filed 3/21/07. *TO MAKE CERTAIN LARGE SCALE DATACENTER PURCHASES OF MACHINERY AND EQUIPMENT SUBJECT TO THE PRIVILEGE TAX AND EXEMPT FROM SALES AND USE TAX .*

Amends the North Carolina Sales and Use Tax Act, Article 5 of GS Chapter 105, to exempt, effective July 1, 2007, sales of machinery and equipment to be located and used at an "eligible datacenter," defined in part as a facility that has been determined by the Secretary of Commerce to have been developed with a specified minimum of privately invested funds. If the level of required investment is not timely made or the machinery and equipment is not located and used at the eligible datacenter, the exemption is forfeited and the taxpayer is liable for past taxes avoided as a result of the forfeited exemption. Effective July 1, 2007, enacts GS 105-187.51C to impose a privilege tax on an eligible datacenter that purchases machinery of equipment to be used at the datacenter. The rate of tax is one percent of the sales price of the equipment or machinery, up to a maximum of \$80 per article.

Intro. by Hagan.

GS 105