

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H.B. 1231
May 27, 2014
HOUSE PRINCIPAL CLERK

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HOUSE DRH40215-MC-266A (05/21)

Short Title: Gas City Sales Tax Exemption. (Public)

Sponsors: Representatives B. Brown, S. Martin, Hastings, and T. Moore (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT CERTAIN SALES OF NATURAL GAS RELATING TO GAS
3 CITIES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-164.13 is amended by adding a new subdivision to read:
6 "**§ 105-164.13. Retail sales and use tax.**

7 The sale at retail and the use, storage, or consumption in this State of the following tangible
8 personal property, digital property, and services are specifically exempted from the tax imposed
9 by this Article:

10 ...
11 (44a) Piped natural gas (i) received by a gas city for consumption by that city and
12 (ii) delivered by a gas city to a sales or transportation customer of the gas
13 city.

14"

15 **SECTION 2.** G.S. 105-164.44L(b) reads as rewritten:

16 "(b) Excise Tax Share. – The quarterly excise tax share of a city that is not a gas city is
17 the amount of piped natural gas excise tax distributed to the city under repealed
18 G.S. 105-187.44 for the same related quarter that was the last quarter in which taxes were
19 imposed on piped natural gas under repealed Article 5E of this Chapter. ~~The Secretary must~~
20 ~~determine the excise tax share of a gas city and divide that amount by four to calculate the~~
21 ~~quarterly distribution amount for a gas city. The excise tax share of a gas city is the amount the~~
22 ~~gas city would have received under repealed G.S. 105-187.44 for the last year in which taxes~~
23 ~~were imposed under repealed Article 5E of this Chapter if piped natural gas consumed by the~~
24 ~~city or delivered by the city to a customer had not been exempt from tax under repealed~~
25 ~~G.S. 105-187.41(e)(1) and (e)(2). A gas city must report the information required by the~~
26 ~~Secretary to make the distribution under this section in the form, manner, and time required by~~
27 ~~the Secretary. For purposes of this subsection, the term "gas city" has the same meaning as~~
28 ~~defined in repealed G.S. 105-187.40. The determination made by the Department with respect~~
29 ~~to a city's excise tax share is final and is not subject to administrative or judicial review.~~

30 The excise tax share of a city that has dissolved, merged with another city, or divided into
31 two or more cities since it received a distribution under repealed G.S. 105-187.44 is adjusted as
32 follows:

33 (1) If a city dissolves and is no longer incorporated, the excise tax share of the
34 city is added to the amount distributed under subsection (c) of this section.



- 1 (2) If two or more cities merge or otherwise consolidate, their excise tax shares
2 are combined.
- 3 (3) If a city divides into two or more cities, the excise tax share of the city that
4 divides is allocated among the new cities in proportion to the total amount of
5 ad valorem taxes levied by each on property having a tax situs in the city."
6 **SECTION 3.** This act becomes effective July 1, 2014, and applies to sales made on
7 or after that date.