

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1146

Short Title: Industrial Metals Taxation.

(Public)

Sponsors: Senators Harris; Rauch, Cochrane, and Smith.

Referred to: Manufacturing and Labor.

May 3, 1989

A BILL TO BE ENTITLED

AN ACT TO CLASSIFY FOR PROPERTY TAXATION AT PRESENT-USE VALUE
PRECIOUS METALS USED BY MANUFACTURERS AS MACHINERY.

The General Assembly of North Carolina enacts:

Section 1. Article 12 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-277.10. Precious metals used or held to be used directly in manufacturing or processing by manufacturers - taxation at present-use value.

The following class of property is designated a special class of property under Article V, Sec. 2(2) of the North Carolina Constitution and shall be appraised for taxation at its present-use value: precious metals, including rhodium and platinum, used or held for use directly in manufacturing or processing by manufacturers as part of industrial machinery.

For the purpose of this section, the term 'present-use value' means the lower of true value in money, or the manufacturer's original cost less depreciation. The depreciable life of the classified property shall be the life assigned to the industrial machinery with which such property is used within the manufacturing process. The residual value of the classified property shall be no more than twenty-five percent (25%) of the manufacturer's original cost."

Sec. 2. G.S. 105-282.1(a)(3) reads as rewritten:

"(3) After an owner of property entitled to exemption under G.S. 105-277.1, 105-278.3, 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8, use value taxation under G.S. 105-277.10, or exclusion under G.S. 105-275(3), (7) or (12) or G.S. 105-278 has applied for

1 ~~exemption~~ the tax benefit and the exemption application has been
2 approved, ~~such~~ the owner shall not be required to file applications in
3 subsequent years except in the following circumstances:

4 a. New or additional property is acquired or
5 improvements are added or removed, necessitating a change
6 in the valuation of the property, or

7 b. There is a change in the use of the property or the
8 qualifications or eligibility of the taxpayer necessitating a
9 review of the exemption."

10 Sec. 3. This act is effective for taxable years beginning on or after January 1,
11 1989. Notwithstanding the provisions of G.S. 105-277.4(a), an application for the
12 benefit provided in this act for the 1989 taxable year shall be considered timely if it is
13 filed on or before September 1, 1989.