

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE DRS55325-MC-98 (3/12)**

Short Title: Privilege Tax For Info. Tech. & Serv. Company. (Public)

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Sponsors: Senator Cowell.

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Referred to:

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1 A BILL TO BE ENTITLED  
2 AN ACT TO LIMIT THE PRIVILEGE TAXES IMPOSED ON INFORMATION  
3 TECHNOLOGY AND SERVICES COMPANIES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-187.50 reads as rewritten:

6 "**§ 105-187.50. Definitions.**

7 The definitions in G.S. 105-164.3 apply in this Article. In addition, the following  
8 definitions apply in this Article:

9 (1) Information technology and services. – Defined in G.S. 105-129.81.

10 (2) NAICS. – Defined in G.S. 105-129.2."

11 **SECTION 2.** G.S. 105-187.51B reads as rewritten:

12 "**§ 105-187.51B. Tax imposed on certain recyclers and research and development**  
13 **companies.**

14 (a) Tax. – A privilege tax is imposed on the following:

15 ...

16 (3) An information technology and services company that performs  
17 research and development and that purchases equipment or an  
18 attachment or repair part for equipment that meets all of the following  
19 requirements:

20 a. Is capitalized by the company for tax purposes under the Code.

21 b. Is used by the company in the research and development of  
22 tangible personal property.

23 c. Would be considered mill machinery under G.S. 105-187.51 if  
24 it were purchased by a manufacturing industry or plant and used  
25 in the research and development of tangible personal property  
26 manufactured by the industry or plant.

1       (b)    Rate. – The tax is one percent (1%) of the sales price of the equipment or  
2 other tangible personal property. The maximum tax is eighty dollars (\$80.00) per  
3 article."

4           **SECTION 3.** Section 2 of this act becomes effective July 1, 2007. The  
5 remainder of this act is effective when it becomes law.