

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE DRS35427-MC-273A (05/07)

Short Title: ATV and PWC Sales Tax Holiday. (Public)

Sponsors: Senator Jones.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE A NEW SALES TAX HOLIDAY FOR PERSONAL WATERCRAFT  
3 AND PERSONAL ALL-TERRAIN VEHICLES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-164.3 reads as rewritten:

6 "§ 105-164.3. Definitions.

7 The following definitions apply in this Article:

8 (1) All-terrain vehicle. – Defined in G.S. 20-4.01.

9 (1a) Analytical services. – Testing laboratories that are included in national  
10 industry 541380 of NAICS or medical laboratories that are included in  
11 national industry 621511 of NAICS.

12 ~~(1a)~~(1b) Ancillary service. – A service associated with or incidental to the  
13 provision of a telecommunications service. The term includes detailed  
14 communications billing, directory assistance, vertical service, and voice mail  
15 service. A vertical service is a service, such as call forwarding, caller ID,  
16 three-way calling, and conference bridging, that allows a customer to  
17 identify a caller or manage multiple calls and call connections.

18 ...

19 (26a) Personal watercraft. – A small vessel that uses an outboard or  
20 propeller-driven motor, or an inboard motor powering a water jet pump, as  
21 its primary source of motive power and which is designed to be operated by  
22 a person sitting, standing, or kneeling on rather than in the conventional  
23 manner of sitting or standing inside the vessel.

24 (26b) Place of primary use. – The street address representative of where the use of  
25 a customer's telecommunications service primarily occurs. The street address  
26 must be the customer's residential street address or primary business street  
27 address. For mobile telecommunications service, the street address must be  
28 within the licensed service area of the service provider. If the customer who  
29 contracted with the telecommunications provider for the telecommunications  
30 service is not the end user of the service, the end user is considered the  
31 customer for the purpose of determining the place of primary use.

32 ...."

33 SECTION 2. Article 5 of Chapter 105 of the General Statutes is amended by  
34 adding a new section to read:

35 "§ 105-164.13E. Sales and use tax holiday for all-terrain vehicles and personal watercraft.



1 (a) The taxes imposed by this Article do not apply to all-terrain vehicles or personal  
2 watercraft if sold between 12:01 A.M. on the third Friday of June and 11:59 P.M. the following  
3 Sunday.

4 (b) The exemption allowed by this section does not apply to the following:

5 (1) The sale of a product for use in a trade or business.

6 (2) The rental of a product."

7 **SECTION 3.** G.S. 105-467(b) reads as rewritten:

8 "(b) Exemptions and Refunds. – The State exemptions and exclusions contained in  
9 G.S. 105-164.13, the State sales and use tax holidays contained in ~~G.S. 105-164.13C~~  
10 ~~and G.S. 105-164.13C, G.S. 105-164.13D, and 105-164.13E,~~ and the State refund provisions  
11 contained in G.S. 105-164.14 apply to the local sales and use tax authorized to be levied and  
12 imposed under this Article. Except as provided in this subsection, a taxing county may not  
13 allow an exemption, exclusion, or refund that is not allowed under the State sales and use tax.  
14 A local school administrative unit and a joint agency created by interlocal agreement among  
15 local school administrative units pursuant to G.S. 160A-462 to jointly purchase food  
16 service-related materials, supplies, and equipment on their behalf is allowed an annual refund  
17 of sales and use taxes paid by it under this Article on direct purchases of tangible personal  
18 property and services, other than electricity, telecommunications service, and ancillary service.  
19 Sales and use tax liability indirectly incurred by the entity on building materials, supplies,  
20 fixtures, and equipment that become a part of or annexed to any building or structure that is  
21 owned or leased by the entity and is being erected, altered, or repaired for use by the entity is  
22 considered a sales or use tax liability incurred on direct purchases by the entity for the purpose  
23 of this subsection. A request for a refund shall be in writing and shall include any information  
24 and documentation required by the Secretary. A request for a refund is due within six months  
25 after the end of the entity's fiscal year. Refunds applied for more than three years after the due  
26 date are barred."

27 **SECTION 4.** The second paragraph of Section 4 of Chapter 1096 of the 1967  
28 Session Laws reads as rewritten:

29 "The exemptions and exclusions contained in G.S. 105-164.13 and the sales and use tax  
30 holidays contained in ~~G.S. 105-164.13C~~ and ~~G.S. 105-164.13D~~ G.S. 105-164.13C,  
31 105-164.13D, and 105-164.13E apply with equal force and like manner to the local sales tax  
32 authorized to be imposed and levied under this division. The county shall have no authority,  
33 with respect to the local sales and use tax imposed under this division, to change, alter, add, or  
34 delete any exemptions or exclusions contained under G.S. 105-164.13."

35 **SECTION 5.** This act is effective when it becomes law and applies to sales made  
36 on or after that date.