

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

S

1

SENATE BILL 1231

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

Sponsors: Senator Jones.

Referred to: Finance.

May 19, 2010

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.