

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 351
Committee Substitute Favorable 4/1/15

Short Title: Clarify Utility Rates.

(Public)

Sponsors:

Referred to:

March 26, 2015

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THAT TAX CHANGES ENACTED IN S.L. 2013-316 MUST BE REFLECTED IN UTILITY RATES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The purpose of this section is to clarify the intent of the 2013 Session of the General Assembly that the Utilities Commission must adjust the rate for sales of electricity, piped natural gas, and water and wastewater services to reflect all of the tax changes as enacted in S.L. 2013-316.

SECTION 1.(b) Section 4.2(a) of S.L. 2013-316 reads as rewritten:

"SECTION 4.2.(a) Pursuant to ~~G.S. 62-31 and G.S. 62-32~~, the The Utilities Commission must adjust the rate set for the following utilities:

- (1) Electricity to reflect the repeal of G.S. 105-116 and the resulting liability of electric power companies for the tax imposed under ~~G.S. 105-122 and for G.S. 105-122~~, the increase in the rate of tax imposed on sales of electricity under ~~G.S. 105-164.4~~G.S. 105-164.4, and the reduction in the corporate income tax rate imposed under G.S. 105-130.3.
- (2) Piped natural gas to reflect the repeal of Article 5E of Chapter 105 of the General Statutes, the repeal of the credit formerly allowed under G.S. 105-122(d1), ~~and~~ the resulting liability of companies for the tax imposed on sales of piped natural gas under ~~G.S. 105-164.4~~G.S. 105-164.4, and the reduction in the corporate income tax rate imposed under G.S. 105-130.3.
- (3) Public water and wastewater companies to reflect the repeal of G.S. 105-116 and the resulting liability of public water and wastewater companies under G.S. 105-122, and the reduction in the corporate income tax rate imposed under G.S. 105-130.3."

SECTION 1.(c) The Utilities Commission must order a utility to add interest to money refunded to its customers for refunds resulting from the reduction of the corporate income tax rate effective for taxable years beginning or after January 1, 2014. Refunds subject to interest shall not include any amounts to be refunded arising from excess deferred income taxes due to the reduction in the corporate income tax rate effective for taxable years beginning on or after January 1, 2014. The interest rate applied to the refund must be set in accordance with G.S. 62-130.

SECTION 1.(d) Subsection (b) of this section is effective January 1, 2014. The remainder of this section is effective when it becomes law and applies to refunds issued on or



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1 after that date unless a utility has implemented rate changes on or before January 1, 2015, to
2 effectuate the refunds.