

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL DRS15163-MC-25B (01/19)

Short Title: Modify Sales Tax Remittance: Boat/Jet Repairs. (Public)

Sponsors: Senators Tillman and Cook (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE ADMINISTRATION OF THE SALES TAX WITH RESPECT
3 TO BOATS AND JETS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-164.27A(a3) reads as rewritten:

6 "(a3) Boat and Aircraft. – A direct pay permit issued under this subsection authorizes its
7 holder to purchase tangible personal property, digital property, or repair, maintenance, and
8 installation services for a boat, an aircraft, or a qualified jet engine without paying tax to the
9 seller and authorizes the seller to not collect any tax on the item or services from the permit
10 holder. A person who purchases the property or services under a direct pay permit must file a
11 return and pay the tax due to the Secretary by the end of the month following the month in
12 which the property or services are purchased. A permit holder is allowed a use tax exemption
13 on one or more of the following: (i) the installation charges that are a part of the sales price of
14 tangible personal property or digital property purchased by the permit holder for a boat, an
15 aircraft, or a qualified jet engine, provided the installation charges are separately stated and
16 identified as such on the invoice or other documentation given to the permit holder at the time
17 of the sale and (ii) the sales price of or gross receipts derived from repair, maintenance, and
18 installation services provided for a boat, an aircraft, or a qualified jet engine.

19 In lieu of purchasing under a direct pay permit pursuant to this subsection, a purchaser may
20 elect to have the seller collect and remit the tax due on behalf of the purchaser. Where the
21 purchaser elects for the seller to collect and remit the tax, an invoice given to the purchaser
22 bearing the proper amount of tax on a retail transaction extinguishes the purchaser's liability for
23 the tax on the transaction. Where a seller cannot or does not separately state installation charges
24 that are a part of the sales price of tangible personal property or digital property for a boat, an
25 aircraft, or a qualified jet engine on the invoice or other documentation given to the purchaser
26 at the time of the sale, tax is due on the total purchase price.

27 The amount of the use tax exemption is the amount of the installation charges and sales
28 price of or gross receipts derived from the repair, maintenance, and installation services that
29 exceed twenty-five thousand dollars (\$25,000)."

30 **SECTION 2.** G.S. 105-164.13 is amended by adding a new subdivision to read:

31 "(62b) The amount of repair, maintenance, and installation services for a boat, an
32 aircraft, or a qualified jet engine for which the purchaser elects for the seller
33 to collect and remit the tax due under G.S. 105-164.27A(a3)."

34 **SECTION 3.** This act becomes effective July 1, 2017, and applies to sales made on
35 or after that date.



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