

TABLE 17. PUBLIC UTILITY FRANCHISE TAX, TELECOMMUNICATIONS TAX, AND PIPED NATURAL GAS EXCISE TAX NET COLLECTIONS AND DISTRIBUTABLE PROCEEDS FOR 2006-2007
[G.S. 105 ARTICLE 3.;ARTICLE 5.; ARTICLE 5E]

| Collections source | Rate [%] | Base/ tax structure | Net collections and local shares [based on July-June collections] | | | | | | | | | | | | | | | | | |
|---------------------|-------------|--|---|--------------------------|---|---|--------------------------|-------------------------|---------------|------|----------------|------|--------------|------|-------|-------|-------|-------|------------|------------|
| | | | Public Utility Franchise | | Telecommunications | | Piped Natural Gas Excise | | | | | | | | | | | | | |
| | | | G.S. 105-116 | | G.S. 105-164.4C | | G.S. 105-187.41 | | | | | | | | | | | | | |
| | | | Net collections+ [\$] | Municipal share [\$] | Net collections [\$] | Local share [\$] | Net collections [\$] | Municipal share [\$] | | | | | | | | | | | | |
| Power | 3.22 | Gross receipts derived from furnishing power, electricity, electric lights, or current are subject to a 3.22% tax. [An amount equal to a 3.09% tax on receipts from sales within municipal boundaries, adjusted for certain statutory formula modifications, is shared with the municipalities.] [See note on authorized county participation.] | 307,698,448 | 148,875,609 | ----- | ----- | ----- | ----- | | | | | | | | | | | | |
| Power | 3 | Gross receipts derived from sales of electricity to consumers other than to farmers and commercial laundries and dry cleaners (taxed at 2.83%) and to manufacturers (taxed at 2.83% or 0.17%)* are subject to a 3% rate. *Sales of electricity to manufacturers (except aluminum smelting facilities) are subject to a 2.83% rate; sales of electricity to an aluminum smelting facility are subject to a 0.17% rate. Special rates only apply to electricity used in connection with industry or plant operations. [0.17% rate repealed effective 10/1/07] | ----- | ----- | 270,312,134 [reflects 3%,2.83%, 0.17% rates] | [State retains proceeds] | ----- | ----- | | | | | | | | | | | | |
| Piped natural gas | * | The piped natural gas excise tax is in lieu of a sales and use tax and a percentage gross receipts tax. *Tax rate is based on monthly therm volumes received by the end-user of the gas: <table border="0"> <tr> <td><u>Therm volume</u></td> <td><u>Rate</u></td> </tr> <tr> <td>first 200</td> <td>\$.047</td> </tr> <tr> <td>201-15,000</td> <td>.035</td> </tr> <tr> <td>15,001-60,000</td> <td>.024</td> </tr> <tr> <td>60,001-500,000</td> <td>.015</td> </tr> <tr> <td>over 500,000</td> <td>.003</td> </tr> </table> [A municipality receives an amount equal to 1/2 of the tax attributable to the municipality.] [See note on authorized county participation.] | <u>Therm volume</u> | <u>Rate</u> | first 200 | \$.047 | 201-15,000 | .035 | 15,001-60,000 | .024 | 60,001-500,000 | .015 | over 500,000 | .003 | ----- | ----- | ----- | ----- | 61,502,904 | 25,442,719 |
| <u>Therm volume</u> | <u>Rate</u> | | | | | | | | | | | | | | | | | | | |
| first 200 | \$.047 | | | | | | | | | | | | | | | | | | | |
| 201-15,000 | .035 | | | | | | | | | | | | | | | | | | | |
| 15,001-60,000 | .024 | | | | | | | | | | | | | | | | | | | |
| 60,001-500,000 | .015 | | | | | | | | | | | | | | | | | | | |
| over 500,000 | .003 | | | | | | | | | | | | | | | | | | | |
| Telecommunications | 7/ 6.75 | Effective <u>December 1, 2006</u> , the tax rate applicable to gross receipts from providing telephone service decreased from 7% to 6.75% (combined general rate). Services include local, interstate, intrastate, toll, private telecommunications, mobile telecommunications services, and ancillary services. An amount equal to 18.03%[18.70% effective for taxes collected on/after <u>January 1, 2007</u>] of net collections less a freeze deduction adjustment is allocated to eligible municipalities based on a formula. [See note on authorized county participation.] In addition, effective for taxes collected on/after <u>January 1, 2007</u> , an amount equal to 7.7% of net collections (less supplemental PEG support) is allocated to counties and municipalities to partially replace repealed local cable television franchise taxes. | ----- | ----- | 400,623,089 [computed] | 63,054,500 [Distribution to municipalities] 14,076,191 [Distribution to counties/municipalities to partially replace local CATV franchise taxes] [see note] | ----- | ----- | | | | | | | | | | | | |
| Water | 4 | Gross receipts from owning or operating a water system regulated by the NC Utilities Commission. | 2,502,510 | [State retains proceeds] | ----- | ----- | ----- | ----- | | | | | | | | | | | | |
| Sewerage | 6 | Gross receipts from owning or operating a public sewerage system. | [included in water] | [State retains proceeds] | ----- | ----- | ----- | ----- | | | | | | | | | | | | |
| Totals | | | 310,200,958 | 148,875,609 | 670,935,223 | 77,130,691 | 61,502,904 | 25,442,719 | | | | | | | | | | | | |

Note: HB 787 (SL 2005-433, s.10(a)) authorized counties meeting certain requirements to receive a share of the distributable proceeds of utility franchise tax, piped natural gas excise tax, and telecommunications tax. An eligible county must contain either no incorporated areas or one incorporated municipality consisting of less than 100 acres within the county with land area primarily located in another county.