

**TABLE 17A. FRANCHISE TAX ON ELECTRIC POWER, WATER, AND SEWERAGE COMPANIES AND PIPED NATURAL GAS EXCISE TAX
NET COLLECTIONS AND DISTRIBUTABLE PROCEEDS FOR 2013-2014
[§ 105 ARTICLE 3.; ARTICLE 5E.]**

[The Tax Simplification and Reduction Act of 2013 repealed §§ 105-116 and 105-187.41 effective July 1, 2014, applicable to gross receipts billed on or after that date.]

Collections source	Rate [%]	Base/ tax structure	Net collections and local shares [based on July-June collections]			
			Public Utility Franchise		Piped Natural Gas Excise	
			§ 105-116		§ 105-187.41	
			Net collections [\$]	Local share [\$]	Net collections [\$]	Local share [\$]
Electric 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.]	343,337,236	206,275,633	-----	-----
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: <u>Therm volume</u> <u>Rate</u> [Sales to manufacturers/ first 200 \$.047 farmers for qualifying 201-15,000 .035 purposes are exempt 15,001-60,000 .024 effective for transactions 60,001-500,000 .015 on/after July 1, 2010.] over 500,000 .003 [A municipality receives an amount equal to 1/2 of the tax attributable to the municipality.] [See note on authorized county participation.]	-----	-----	55,702,112	25,060,734
Water	4	Gross receipts from owning or operating a water system regulated by the NC Utilities Commission.	3,858,691	[State retains proceeds]	-----	-----
Sewerage	6	Gross receipts from owning or operating a public sewerage system.	[included in water]	[State retains proceeds]	-----	-----
Totals			347,195,927	206,275,633	55,702,112	25,060,734

Note: Gross receipts of electric power companies derived from furnishing power, electricity, electric lights, or current are also subject to the State sales and use tax. (Refer to Table 17B.)

[SL 2013-316, s. 4.1(a) repealed the franchise tax on electric power, water, and sewerage companies effective July 1, 2014, and applicable to gross receipts billed on or after that date. Gross receipts derived from furnishing electricity billed on or after July 1, 2014, are subject to the combined general rate under Article 5, § 105-164.4(a)(9). SL 2013-316, s. 4.1(d) repealed the piped natural gas excise tax effective July 1, 2014, and applicable to gross receipts billed on or after that date; concurrently, gross receipts derived from piped natural gas are subject to the combined general rate under Article 5, § 105-164.4(a)(9).]

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. Previously, only municipal governments participated in the distribution. 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.