

**TABLE 17A. FRANCHISE TAX ON ELECTRIC POWER, WATER, AND SEWERAGE COMPANIES AND PIPED NATURAL GAS EXCISE TAX
NET COLLECTIONS AND DISTRIBUTABLE PROCEEDS FOR 2007-2008
[G.S. 105 ARTICLE 3.; ARTICLE 5E]**

Collections source	Rate [%]	Base/ tax structure	Net collections and local shares [based on July-June collections]			
			Public Utility Franchise		Piped Natural Gas Excise	
			G.S. 105-116		G.S. 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.]	325,129,273	162,327,060	-----	-----
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> [Reduced rates apply to first 200 \$.047 manufacturers/farmers; 201-15,000 .035 such transactions will be 15,001-60,000 .024 exempt from tax effective 60,001-500,000 .015 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.]	-----	-----	59,762,099	23,276,212
Water	4	Gross receipts from owning or operating a water system regulated by the NC Utilities Commission.	3,610,522	[State retains proceeds]	-----	-----
Sewerage	6	Gross receipts from owning or operating a public sewerage system.	[included in water]	[State retains proceeds]	-----	-----
Totals			328,739,795	162,327,060	59,762,099	23,276,212

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 .)

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.

+Revised to reflect collections reclassification.