

**TABLE 17C. FRANCHISE TAX ON ELECTRIC POWER, WATER, AND SEWERAGE COMPANIES AND PIPED NATURAL GAS EXCISE TAX  
NET COLLECTIONS AND DISTRIBUTABLE PROCEEDS FOR 2008-2009  
[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.]	330,828,428	170,458,245	-----	-----
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.]	-----	-----	59,675,925	25,008,101
Water	4	Gross receipts from owning or operating a water system regulated by the NC Utilities Commission.	3,235,011	[State retains proceeds]	-----	-----
Sewerage	6	Gross receipts from owning or operating a public sewerage system.	[included in water]	[State retains proceeds]	-----	-----
Totals			334,063,439	170,458,245	59,675,925	25,008,101

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 17D.)

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.