

**TABLE 17D. STATE SALES AND USE TAX: ELECTRICITY, TELECOMMUNICATIONS, AND VIDEO PROGRAMMING SERVICES
NET COLLECTIONS AND DISTRIBUTABLE PROCEEDS FOR 2008-2009
[G.S. 105 ARTICLE 5]**

Collections source	Rate [%]	Base/ tax structure	Net collections and local shares [based on July-June collections]							
			Electricity		Telecommunications		Video Programming			
			G.S. 105-164.4(a) (1f), (1j), (4a)		G.S. 105-164.4(a)(4c)		G.S. 105-164.4(a)(6)			
			Net collections	Local share	Net collections	Local share	Cable		Direct-to-home satellite	
[\$]	[\$]	[\$]	[\$]	Net collections	Local share	Net collections	Local share			
				[\$]	[\$]	[\$]	[\$]	[\$]	[\$]	
Electric power	3	Gross receipts derived from sales of electricity to consumers other than to farmers, manufacturers, and commercial laundries and dry cleaners are subject to a 3% rate. [Special rates only apply to electricity sold for qualifying industrial or farming purposes.] Sales of electricity to manufacturers and farmers will be exempt from tax effective for transactions occurring on/after July 1, 2010. For 2008-09, the following preferential tax rates applied: Manufacturers/Farmers: 1.4% Commercial laundries and dry cleaners: 2.83%	287,763,582 [reflects 3%, 2.83%, 1.4% rates]	[State retains proceeds]	-----	-----	-----	-----	-----	-----
Telecommunications	7	Combined general rate applicable to gross receipts from providing telephone service Services include local, interstate, intrastate, toll, private telecommunications, mobile telecommunications services, and ancillary services. An amount equal to 18.70% 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of net collections (less supplemental PEG support) is allocated to counties and municipalities to partially replace repealed local cable television franchise taxes.	-----	-----	472,670,394	77,905,589	-----	-----	-----	-----
						35,511,113				
						884,507				
						[PEG channel support]				
Video Programming	7	Combined general rate applicable to gross receipts from providing video programming services (cable and direct-to-home satellite) In addition, effective for taxes collected on/after <u>January 1, 2007</u> , amounts equal to 37.1% of satellite and 23.6% of cable net collections (less supplemental PEG support) are allocated to counties and municipalities to partially replace repealed local cable television franchise taxes.	-----	-----	-----	-----	91,756,224	21,128,343	65,452,634	23,693,561
								526,126		589,367
								[PEG channel support]		[PEG channel support]
Totals			287,763,582	-----	472,670,394	114,301,209	91,756,224	21,654,469	65,452,634	24,282,927

Note: Gross receipts of electric power companies derived from furnishing power, electricity, electric lights, or current are also subject to the franchise tax. (Refer to *Table 17C*.)

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.