

TABLE 18. PUBLIC UTILITY FRANCHISE TAX AND SALES TAX NET COLLECTIONS AND DISTRIBUTABLE PROCEEDS FOR 2003-2004
[G.S. 105 ARTICLE 3.:ARTICLE 5.]

Collections source	Rate [%]	Base/ tax structure	Net collections and municipal shares [based on July-June collections]																	
			Franchise tax		Sales tax		Excise tax													
			Net collections [\$]	Municipal share [\$]	Net collections [\$]	Municipal 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 3.09% of such receipts from sales within municipal boundaries, adjusted for certain statutory formula modifications, are shared with the municipalities.]	251,948,379	128,558,161	-----	-----	-----	-----												
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 .17% depending on previous year's megawatt-hour usage)* are subject to a 3% rate. <u>*Effective until October 1, 2004:</u> 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. [Quantity not a factor] <u>Effective October 1, 2004:</u> 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. [Quantity not a factor] Special rates only apply to electricity used in <i>manufacturing</i> operations.	-----	-----	227,002,279 [reflects 3%,2.83%, .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 enduser of the gas: <table border="1"> <thead> <tr> <th>Therm volume</th> <th>Rate</th> </tr> </thead> <tbody> <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> </tbody> </table> [A municipality receives an amount equal to 1/2 of the tax attributable to the municipality.]	Therm volume	Rate	first 200	\$.047	201-15,000	.035	15,001-60,000	.024	60,001-500,000	.015	over 500,000	.003	-----	-----	-----	-----	64,792,806	25,938,551
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Telecommunications [effective 1/1/02]	6	Gross receipts from providing telephone service are subject to a 6% State sales and use tax. Services include local, interstate, intrastate, toll, private telecommunications, and mobile telecommunications services [An amount equal to 18.26% of net collections less a "freeze deduction" adjustment is allocated to eligible municipalities based on a formula.]	-----	-----	341,731,731 [computed]	51,916,422	-----	-----												
Telephone franchise tax [Repealed effective 1/1/02]	3.22	Telecommunications reform legislation repealed the telephone franchise tax and concurrently enacted legislation that consolidated all taxes on telecommunications services into a single State sales rate of 6%. [see Telecommunications] The amount shown as collections from the telephone franchise tax was generated from delinquent taxes and assessments on transactions prior to 1/1/02.	372,744	-----	-----	-----	-----	-----												
Water	4	Gross receipts from owning or operating a water system regulated by the NC Utilities Commission.	2,088,287	[State retains proceeds]	-----	-----	-----	-----												
Sewerage	6	Gross receipts from owning or operating a public sewerage system.	[included in water]	[State retains proceeds]	-----	-----	-----	-----												
General business franchise tax assessed on domestic and foreign corporations	*	*Rate is \$1.50 per \$1,000 of the largest of three alternate bases: (1) capital stock, surplus & undivided profits apportioned to NC. (2) 55% of the appraised value of real & tangible property in NC. (3) Investment in tangible property in NC. [minimum tax, \$35]	318,213,997	[State retains proceeds]	-----	-----	-----	-----												
Mutual burial associations	**	** \$25 to \$50 flat tax based on membership	[included in business]	[State retains proceeds]	-----	-----	-----	-----												
Totals			572,623,408	128,558,161	568,734,010	51,916,422	64,792,806	25,938,551												

Note: General business franchise tax collection amount excludes collection fees of \$154,037 on overdue tax debts (G.S. 105-243.1)