

**TABLE 45. MANUFACTURING FUEL and CERTAIN MACHINERY
and EQUIPMENT TAX COLLECTIONS**
[§ 105 ARTICLE 5F.]

Fiscal year	Gross tax collections [\$]	Refunds [\$]	Net collections before transfers [\$]	Transfers				Collections to General Fund [\$]
				Collection fees on overdue tax debts [\$]	OSBM Civil Penalty & Forfeiture Fund [\$]	Collection cost of fines/forfeitures [\$]	TIMS and PDP component costs SL 2009-451, s. 6.20(a) [\$]	
2005-06...	11,991,983	34,366	11,957,618	-	5,627	-	-	11,951,991
2006-07...	37,133,967	397,117	36,736,849	229	177,102	738	-	36,558,780
2007-08...	38,186,316	252,803	37,933,513	6,813	177,345	725	-	37,748,630
2008-09...	33,447,785	401,208	33,046,577	2,432	177,777	748	-	32,865,620
2009-10...	33,028,880	905,334	32,123,546	7,174	218,227	1,008	-	31,897,136
2010-11...	34,073,552	1,349,973	32,723,579	431	222,053	959	3,524	32,496,612

Effective January 1, 2006, transactions of certain machinery and equipment and manufacturing fuel were exempted from State sales and use taxes imposed on the seller and, concurrently, made subject to a privilege tax imposed on the purchaser. [Applicable tax rates remained unchanged.]

Manufacturing machinery and equipment and recycling equipment are subject to a 1% tax rate with a maximum \$80 tax per article. [Purchases by State agencies are exempted from the privilege taxes imposed by this Article.]

Prior to October 1, 2007, a privilege tax rate of 1% was imposed on fuel purchased by a manufacturing industry or plant used to operate the industry or plant. Effective October 1, 2007, fuel purchased by a manufacturing industry or plant for qualifying purposes was reduced from 1% to 0.7%; effective July 1, 2008, the 0.7% rate was further reduced to 0.5%; effective July 1, 2009, the 0.5% rate was reduced to 0.3%; effective July 1, 2010, such transactions are fully exempt.

Effective July 1, 2007, the scope of this tax was expanded to include a research and development company in the physical, engineering, and life sciences (NAICS code-54171) that purchases qualifying equipment or attachment or repair parts for equipment (previously, purchases by research and development companies were subject to the combined State and local sales or use tax).

Effective October 1, 2007, software publishing companies included in the industry group (NAICS code-5112) were made subject to the tax for qualifying purchases. [Qualifying purchases for research and development and software publishing companies pertain to equipment (repair parts and attachments) that are capitalized by the company for tax purposes, are used by the company in the research and development of tangible personal property, and are considered mill machinery if purchased by the company to be used in the research and development of tangible personal property manufactured by the company.]

Also effective October 1, 2007, the scope of this tax was expanded to include an eligible datacenter that purchases qualifying machinery or equipment to be located and used at the datacenter. Effective July 1, 2010, SL 2010-91 added provisions for qualifying requirements for a second datacenter, included eligibility for contractors and subcontractors of a datacenter, specified that the tax does not apply to equipment and machinery of an eligible Internet datacenter exempt from sales tax under § 105-164.13(55), and excluded software from taxable machinery and equipment definition in accordance with the datacenter-related software exemption from sales tax under § 105-164.13(43a)b. [Special provisions pertaining to datacenter companies expire for purchases occurring on or after July 1, 2015.]

Effective July 1, 2008, Article 5F was expanded to impose the tax on qualifying purchases of industrial machinery refurbishing companies (NAICS code-811310).

Effective January 1, 2011, SL 2010-147 excluded purchases by motion picture and film production companies; purchases are now subject to the general State and local sales and use tax rates.