

TABLE 17. PUBLIC UTILITY FRANCHISE TAX AND SALES TAX NET COLLECTIONS AND DISTRIBUTABLE PROCEEDS FOR 2005-2006

[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 a 3.09% tax on receipts from sales within municipal boundaries, adjusted for certain statutory formula modifications, is shared with the municipalities.]	291,633,056	131,927,994	-----	-----	-----	-----												
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 0.17%)* are subject to a 3% rate. *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. Special rates only apply to electricity used in <i>manufacturing</i> operations.	-----	-----	254,575,917 [reflects 3%,2.83%, 0.17% 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 end-user of the gas: <table border="0"> <tr> <td><u>Therm volume</u></td> <td><u>Rate</u></td> </tr> <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> </table> [A municipality receives an amount equal to 1/2 of the tax attributable to the municipality.]	<u>Therm volume</u>	<u>Rate</u>	first 200	\$.047	201-15,000	.035	15,001-60,000	.024	60,001-500,000	.015	over 500,000	.003	-----	-----	-----	-----	58,321,419	24,200,858
<u>Therm volume</u>	<u>Rate</u>																			
first 200	\$.047																			
201-15,000	.035																			
15,001-60,000	.024																			
60,001-500,000	.015																			
over 500,000	.003																			
Telecommunications [effective 1/1/02]	7	Effective <u>October 1, 2005</u> , the tax rate applicable to gross receipts from providing telephone service increased from 6% (State sales and use tax rate) to 7% (combined general rate). Services include local, interstate, intrastate, toll, private telecommunications, mobile telecommunications services, and voice mail (eff. 10/01/05). An amount equal to 18.03% of net collections less a "freeze deduction" adjustment is allocated to eligible municipalities based on a formula. [The allocation percentage was reduced from 18.26% to 18.03% as a result of the rate increase.]	-----	-----	430,135,620 [computed]	67,438,313	-----	-----												
Water	4	Gross receipts from owning or operating a water system regulated by the NC Utilities Commission.	2,841,294	[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]	323,945,503	[State retains proceeds]	-----	-----	-----	-----												
Mutual burial associations	**	** \$25 to \$50 flat tax based on membership	[included in business]	[State retains proceeds]	-----	-----	-----	-----												
Totals			618,419,853	131,927,994	684,711,537	67,438,313	58,321,419	24,200,858												

Note: General business franchise tax collection amount excludes collection fees of \$118,318 on overdue tax debts (G.S. 105-243.1).