

**TABLE 17. STATE SALES AND USE TAX: ELECTRICITY, PIPED NATURAL GAS, TELECOMMUNICATIONS, AND VIDEO PROGRAMMING SERVICES
NET COLLECTIONS AND DISTRIBUTABLE PROCEEDS FOR 2015-2016
[§ 105 ARTICLE 5.]**

Gross receipts derived from sales of electricity and piped natural gas sold at retail and sourced to the State, and gross receipts derived from providing telecommunications service, ancillary service, and video programming services (cable and direct-to-home satellite) are subject to the 7% combined general rate of sales and use tax with provisions for local share allocation of net tax proceeds determined by statutory formula. The combined general rate is the State's general rate (4.75%) plus the rate of local tax authorized for every county in the State (2.25%).

Collections source	Tax base/ Local share allocation percentages	Net collections and local share allocations [based on July-June collections]									
		Electricity		Piped Natural Gas		Telecommunications		Video Programming			
		§ 105-164.4(a)(9); § 105-164.44K		§ 105-164.4(a)(9); § 105-164.44L		§ 105-164.4(a)(4c); § 105-164.44F(a)(1), (a)(2)		§ 105-164.4(a)(6); § 105-164.44I(a)(2), (a)(3)		Direct-to-home satellite	
		Net collections [\$]	Local share allocation† [\$]	Net collections [\$]	Local share allocation† [\$]	Net collections [\$]	Local share allocation† [\$]	Net collections [\$]	Local share allocation [\$]	Net collections [\$]	Local share allocation [\$]
Electricity	Gross receipts derived from sales of electricity sold to consumers (other than qualifying sales to farmers and manufacturers) and billed on or after July 1, 2014. [A reduced rate of 3.5% applies to sales by CHEMC for a one-year period.] § 105-164.44K provides for a local share allocation equal to 44% of net tax proceeds collected on electricity, less administrative costs (effective for quarters beginning on or after July 1, 2014).	737,453,459	322,749,634	-	-	-	-	-	-	-	-
Piped Natural Gas	Gross receipts derived from sales of piped natural gas sold to consumers (other than sales from a producer and qualifying sales to farmers, manufacturers, commercial laundry and dry cleaning establishments, and State agencies) and billed on or July 1, 2014. [A reduced rate of 3.5% applies to sales by gas cities for a one-year period.] § 105-164.44L provides for a local share allocation equal to 20% of net tax proceeds collected on piped natural gas, less administrative costs (effective for quarters beginning on or after July 1, 2014). [Gas cities receive amounts in addition to the excise tax share effective for quarters beginning on or after July 1, 2015].	-	-	72,301,226	14,962,946	-	-	-	-	-	-
Telecommunications	Gross receipts derived from providing telephone service (includes local, interstate, intrastate, toll, private telecommunications, mobile telecommunications services, and ancillary services). § 105-164.44F(a)(1) provides for a local share allocation equal to 18.70% of net tax proceeds (less a freeze deduction adjustment). § 105-164.44I provides for a local share allocation equal to 7.7% (specified in § 105-164.44F(a)(2)) of net tax proceeds (adjusted for supplemental PEG support) to partially replace repealed local cable television franchise taxes. PEG channel support funds	-	-	-	-	323,759,620	50,059,257	-	-	-	-
Video Programming	Gross receipts derived from providing video programming services (cable and direct-to-home satellite). § 105-164.44I(a)(2) provides for a local share allocation equal to 23.6% of net tax proceeds (cable) and § 105-164.44I(a)(3) provides for a local share allocation equal to 37.1% of net tax proceeds (direct-to-home satellite) (adjusted for supplemental PEG support) to partially replace repealed local cable television franchise taxes. PEG channel support funds	-	-	-	-	-	-	96,842,883	21,659,243	77,593,122	27,281,212
									1,195,678		1,505,836
	Totals	737,453,459	322,749,634	72,301,226	14,962,946	323,759,620	74,988,748	96,842,883	22,854,920	77,593,122	28,787,048

Note: [SL 2013-316, s. 4.1(a) repeals the franchise tax on electric power effective July 1, 2014, and applicable to gross receipts billed on or after that date; concurrently, such gross receipts are subject to the 7% combined general rate under Article 5, § 105-164.4(a)(9). SL 2013-316, s. 4.1(c) repeals the 2.83% preferential tax rate applicable to sales of electricity to laundries and pressing and dry cleaning establishments and the 3% rate effective for gross receipts billed on or after July 1, 2014; concurrently, transactions previously subject to the 2.83% and 3% preferential rates are subject to the 7% combined general rate. SL 2013-316, s. 4.1(d) repeals the piped natural gas excise tax effective July 1, 2014, and applicable to gross receipts billed on or after that date; concurrently, such gross receipts are subject to the 7% combined general rate under Article 5, § 105-164.4(a)(9). § 105-164.44K and § 105-164.44L provide for local share allocations of net tax proceeds generated from sales of electricity and piped natural gas.]

†HB 787 (SL 2005-433, s.10(a)) authorizes counties meeting certain requirements to receive a share of the distributable proceeds of utility franchise tax, piped natural gas excise tax, and sales and use tax levied on telecommunications services. 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.