

TABLE 16. PUBLIC UTILITY FRANCHISE TAX AND SALES TAX NET COLLECTIONS AND DISTRIBUTABLE PROCEEDS FOR 2002-2003
[G.S. 105 ARTICLE 3.;ARTICLE 5.]

Collections source	Rate [%]	Base/ tax structure	Net collections and municipal shares																	
			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.]	255,511,612	125,278,187	-----	-----	-----	-----												
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 megawatt hour usage) are subject to a 3% rate.	-----	-----	216,853,583 [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 style="margin-left: 20px;"> <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	-----	-----	-----	-----	63,307,065	26,598,685
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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.]	-----	-----	363,559,332 [computed]	55,902,142	-----	-----												
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.	322,145	-----	-----	-----	-----	-----												
Water	4	Gross receipts from owning or operating a water system regulated by the NC Utilities Commission.	2,286,030	[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]	294,580,904	[State retains proceeds]	-----	-----	-----	-----												
Mutual burial associations	**	** \$25 to \$50 flat tax based on membership.	[included in business]	[State retains proceeds]	-----	-----	-----	-----												
Totals			552,700,691	125,278,187	590,022,949	55,902,142	63,307,065	26,598,685												