

RESOLUTION #

RESOLUTION IMPOSING A GROSS RECEIPTS TAX ON THE SHORT-TERM LEASE OR RENTAL OF HEAVY EQUIPMENT IN LIEU OF THE PROPERTY TAX

- WHEREAS, new legislation dictates that Heavy Equipment is designated a special class of property and shall not be listed, appraised, assessed, or taxed effective July 1, 2009 pursuant to NCGS §105-275(42a); and that the Tax Collector estimates this exemption from the property tax will cost the County approximately \$165,500 in lost tax revenues.
- WHEREAS, the general assembly has provided for an alternative to the property tax on the equipment by enabling any County by resolution to adopt a tax at the rate of one and two-tenths percent (1.2%) on the gross receipts from the short-term lease or rental of heavy equipment on persons and businesses whose principal business is the short-term lease or rental of heavy equipment;
- WHEREAS, the Tax Collector estimates that taking advantage of the alternative to the property tax on the heavy equipment pursuant to NCGS §153A-156.1 should replace any lost tax revenues;
- WHEREAS, because any tax lien attaches to the property to be taxed on January 1 of each year and the listing period for the fiscal year beginning July 1, 2009 begins on January 1, 2009, the alternative to the property tax as provided by NCGS §153A-156.1 must become effective on January 1, 2009 in order to provide for effective replacement of the revenue otherwise lost by the new exemption; and NCGS §153A-156.1(e) stipulates that the effective date "may not be sooner than the first day of the calendar quarter that begins at least two months after the date the resolution is adopted"; and
- WHEREAS, this Board is of the opinion that it is in the best interests of the citizens and residents of the County to take advantage of the alternative to the property tax on the heavy equipment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners for the County of Buncombe as follows:

1. That a tax at the rate of one and two-tenths percent (1.2%) on the gross receipts from the short-term lease or rental of heavy equipment by persons and businesses whose principal business is the short-term lease or rental of heavy equipment at retail pursuant to the provisions of NCGS §153A-156.1.
2. That this resolution adopted this 7th day of October, 2008.
3. That this resolution shall be effective January 1, 2009.

This the 7th day of October, 2008.

ATTEST

BOARD OF COMMISSIONERS FOR THE
COUNTY OF BUNCOMBE

KATHY HUGHES, CLERK

BY _____
NATHAN RAMSEY, CHAIRMAN

APPROVED AS TO FORM

COUNTY ATTORNEY