

GENERAL ASSEMBLY OF NORTH CAROLINA
1991 SESSION

CHAPTER 46
HOUSE BILL 10

AN ACT TO ALLOW LESSORS AND RENTERS OF MOTOR VEHICLES TO ELECT TO PAY HIGHWAY USE TAX ON MOTOR VEHICLES OWNED ON OCTOBER 1, 1989, AND TO CLARIFY THAT THESE MOTOR VEHICLES ARE OTHERWISE SUBJECT TO THE GROSS RECEIPTS TAX.

The General Assembly of North Carolina enacts:

Section 1. Article 5A of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-187.11. Transition from sales tax to highway use tax for lessors and renters of motor vehicles.

A tax at the rate set in G.S. 105-187.5(b) is levied on the gross receipts derived by a retailer from the lease or rental of a motor vehicle owned by the retailer before October 1, 1989, and leased or rented on or after that date. A retailer subject to this tax may elect to pay highway use tax at the rate set in G.S. 105-187.3(a) on a motor vehicle owned by the retailer before October 1, 1989, and leased or rented on or after that date. The retail value of a motor vehicle for which a retailer makes an election under this section is the value of the motor vehicle that would apply under G.S. 105-187.3(b) if the retailer received the vehicle because of a reason other than the sale of the motor vehicle on the date the retailer makes the election.

To make the election allowed by this section, a retailer shall complete a form provided by the Division, pay the tax due, and pay the fee set in G.S. 20-85(a)(9). A retailer who makes this election may not receive credit for any tax paid on the motor vehicle under Article 5 of this Chapter or for any tax on gross receipts paid under this Article. The Division shall notify the Secretary of Revenue of a retailer who makes an election under this section. Notwithstanding G.S. 105-187.9, the taxes collected under this section shall be credited to the General Fund."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 23rd day of April, 1991.

James C. Gardner
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives