

GENERAL ASSEMBLY OF NORTH CAROLINA
1991 SESSION

CHAPTER 79
HOUSE BILL 9

AN ACT TO REINSTATE SALES TAX ON MOPEDES, TOW DOLLIES, AND
CERTAIN VEHICLE BODIES AND TO ESTABLISH A UNIFORM LONG-
TERM LEASING RATE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.3(8b) reads as rewritten:

"(8b) 'Motor vehicle' means ~~any vehicle which is self-propelled and designed primarily for use upon the highways, any vehicle which is propelled by electric power obtained from trolley wires but not operated upon rails, and any vehicle designed to run upon the highways which is propelled by a self-propelled vehicle, but shall not include any implement of husbandry, farm tractor, road construction or maintenance machinery or equipment, special mobile equipment as defined in G.S. 20-4.01, any vehicle designed primarily for use in work off the highway, or a manufactured home.~~ a vehicle that is designed primarily for use upon the highways and is either self-propelled or propelled by a self-propelled vehicle, but does not include:

- a. A moped as defined in G.S. 20-4.01(27)(d1).
- b. Special mobile equipment as defined in G.S. 20-4.01(44).
- c. A tow dolly that is exempt from motor vehicle title and registration requirements under G.S. 20-51(10) or (11).
- d. A farm tractor or other implement of husbandry.
- e. A manufactured home.
- f. Road construction or road maintenance machinery or equipment."

Sec. 2. G.S. 105-164.13(32) reads as rewritten:

"(32) Sales of motor vehicles, the ~~separate sales sale~~ sale of a motor vehicle body and a motor vehicle chassis when the body is to be mounted on the chassis, a motor vehicle chassis when a certificate of title has not been issued for the chassis, and the sale of a motor vehicle body mounted on a motor vehicle chassis that temporarily enters the State so the manufacturer of the body can mount the body on the chassis. of the sale."

Sec. 3. G.S. 105-164.3(7a) reads as rewritten:

"(7a) 'Lease or rental' means ~~the leasing or renting of tangible personal property and the possession or use thereof by the lessee or renter for a consideration without transfer of the title of such property. a transfer, for consideration, of the use but not the ownership of property to another for a period of time.~~"

Sec. 4. G.S. 105-187.1 reads as rewritten:

"§ 105-187.1. Definitions.

The following definitions and the definitions in G.S. 105-164.3 apply to this Article:

- (1) 'Commissioner' means the Commissioner of Motor Vehicles.
- (2) 'Division' means the Division of Motor Vehicles, Department of Transportation.
- (3) 'Long-term lease or rental' means a lease or rental made under a written agreement to lease or rent property to the same person for a period of at least 365 continuous days.
- (4) 'Short-term lease or rental' means a lease or rental that is not a long-term lease or rental."

Sec. 5. G.S. 105-187.5(b) reads as rewritten:

"(b) Rate. The tax rate on the gross receipts ~~of~~ from the short-term lease or rental of a motor vehicle is eight percent (8%), unless the vehicle is leased or rented to the same person for a period of more than 90 continuous days. In that circumstance, the tax is eight percent (8%) for the first 90 days the vehicle is leased or rented to the same person and is three percent (3%) for the remainder of the period during which the vehicle is leased or rented to that person. (8%) and the tax rate on the gross receipts from the long-term lease or rental of a motor vehicle is three percent (3%). The maximum tax in G.S. 105-187.3(a) applies to ~~the a continuous lease or rental of a motor vehicle to the same person when the vehicle is leased or rented to the same person for more than 90 continuous days. Tax paid by a person from the first day of a continuous lease or rental period applies toward the maximum tax.~~"

Sec. 6. This act becomes effective July 1, 1991.

In the General Assembly read three times and ratified this the 8th day of May, 1991.

James C. Gardner
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives