

FISCAL NOTE TRANSMITTAL FORM

The attached fiscal note on the bill(s) named above is being transmitted to:

BILL NUMBER: Senate Bill 1014

SHORT TITLE: Mobile Equipment & Mobile Vehicle Changes

SPONSOR(S): Senators Winner, Carter, Plexico, Seymour, and Staton

Chief Sponsor, House

Chief Sponsor, Senate

Fiscal Note Requested By

Chairman of the House Committee on

Chairman of the House Subcommittee on

Chairman of the Senate Committee on

Chairman of the Senate Subcommittee on

Speaker of the House, Daniel T. Blue, Jr.

President Pro Tempore, Henson Barnes

Chairman of the House Base Budget Appropriations Committee

Representative David Diamont

Chairman of the House Expansion Budget Appropriations Committee

Representative Martin Nesbitt

Chairman of the Senate Appropriations Committee

Senator Marc Basnight

Chairman of the Senate Ways and Means Committee

Senator Kenneth C. Royall, Jr.

Chairman of the Senate Base Budget Committee

Senator Aaron W. Plyler

House Principal Clerks Office

Senate Principal Clerks Office

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 1014
SHORT TITLE: Mobile Equipment & Mobile Vehicle Changes
SPONSOR(S): Senators Winner, Carter, Plexico, Seymour, and Staton

FISCAL IMPACT: **Expenditures:** Increase () Decrease ()
 Revenues: Increase (X) Decrease ()
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: General Fund (X) Highway Fund (X) Local Govt. ()
 Other Funds ()

BILL SUMMARY: The bill resolves current inconsistencies in the statutes pertaining to the registration and taxation of special mobile equipment and in the taxation of mobile offices and classrooms.

Special mobile equipment are vehicles that have machinery permanently attached and use the highways of this State only to move from one nonhighway job to another and not for the transportation of persons or property or for hire. Examples of special mobile equipment are cranes, mills, and well boring and ditch digging apparatus.

Mobile classrooms and offices are currently subject to the highway use tax of 3% with a \$1000 cap. However, since this tax is collected when a vehicle is titled, many mobile classrooms and offices are never titled and therefore escape taxation.

This bill makes the following changes:

1. It authorizes "for hire" vehicles that otherwise meet the definition of special mobile equipment to register as special mobile equipment.
2. It removes reconverted vehicles that now serve as living or office quarters from the definition of special mobile equipment.
3. It authorizes any vehicle used for parade purposes that has special equipment to be classified as special mobile equipment.
4. It establishes a uniform annual registration fee of \$20 for special mobile equipment (most now pay \$7 or in a very few cases, \$37)
5. It imposes sales tax on mobile offices and classrooms at the rate of 3% with a \$1000 cap (identical to the highway use tax)

EFFECTIVE DATE: July 1, 1992, with the \$1000 cap increasing to \$1500 on July 1, 1993.

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Division of Motor Vehicles; Department of Revenue, Sales Tax Division

FISCAL IMPACT

	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
REVENUES:					
GENERAL FUND	\$300,000	\$315,000	\$330,750	\$347,288	\$364,652
HIGHWAY FUND	\$27,000	\$27,540	\$28,091	\$28,091	\$28,653
HIGHWAY TRUST FUND					
LOCAL					

EXPENDITURES

POSITIONS: None

ASSUMPTIONS AND METHODOLOGY: The number of vehicles registered as special mobile equipment was taken from Division of Motor Vehicles files. The number of mobile classrooms and offices expected to be sold in North Carolina in FY92 was estimated from inspections of these buildings required to be made by the Insurance Department in FY92.

SOURCES OF DATA: Division of Motor Vehicles; Department of Revenue, Sales Tax Division

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Ruth Sappie

APPROVED BY:

DATE: June 16, 1992



Signed Copy Located in the NCGA Principal Clerk's Offices