

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1235

Short Title: Repeal Luxury Car Tax Break.

(Public)

Sponsors: Representatives Luebke; Barnes, Barnhill, Beall, Braswell, D. Brown, Church, Colton, Crawford, Easterling, Fitch, Gamble, Gottovi, Green, Hackney, Hightower, Hill, B. Miller, Oldham, Stamey, Wilmoth, and Wright.

Referred to: Finance.

May 4, 1993

A BILL TO BE ENTITLED

AN ACT TO REMOVE THE HIGHWAY USE TAX CAP ON NONCOMMERCIAL MOTOR VEHICLES AND TO CREDIT THE RESULTING REVENUE INCREASE TO THE GENERAL FUND.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-187.3(a) reads as rewritten:

"(a) Amount. The rate of the use tax imposed by this Article is three percent (3%) of the retail value of a motor vehicle for which a certificate of title is issued. The tax is payable as provided in G.S. 105-187.4. The tax may not be less than forty dollars (\$40.00) for each motor vehicle for which a certificate of title is issued, unless the issuance of a title for the vehicle is exempt from tax under G.S. 105-187.6(a). The tax may not be more than one thousand five hundred dollars (\$1,500) for each ~~motor vehicle~~ commercial motor vehicle, as defined in G.S. 20-4.01, for which a certificate of title is issued."

Sec. 2. G.S. 105-187.9 reads as rewritten:

"§ 105-187.9. Disposition of tax proceeds.

Taxes collected under this Article at the rate of eight percent (8%) shall be credited to the General Fund. ~~Taxes—Eleven one-hundredths percent (.11%) of the taxes collected under this Article at the rate of three percent (3%) shall be credited to the~~ General Fund; the remainder of the taxes collected under this Article at the rate of three percent (3%) shall be credited to the North Carolina Highway Trust Fund. In each fiscal year the State Treasurer shall transfer the sum of one hundred seventy million dollars

- 1 (\$170,000,000) of the taxes deposited in the Trust Fund to the General Fund by
2 transferring one-fourth of this amount at the end of each quarter in the fiscal year."
3 Sec. 3. This act becomes effective July 1, 1993.