

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 129

Short Title: Lower Minimum Highway Use Tax.

(Public)

Sponsors: Senators Winner of Buncombe, Kerr, Plexico, and Seymour.

Referred to: Finance.

February 15, 1993

A BILL TO BE ENTITLED

AN ACT TO LOWER THE MINIMUM HIGHWAY USE TAX.

The General Assembly of North Carolina enacts:

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

"§ 105-187.3. Rate of tax.

(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~~ twenty dollars (\$20.00) 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 for which a certificate of title is issued.

(b) Retail Value. —The retail value of a motor vehicle for which a certificate of title is issued because of a sale of the motor vehicle by a retailer is the sales price of the motor vehicle, including all accessories attached to the vehicle when it is delivered to the purchaser, less the amount of any allowance given by the retailer for a motor vehicle taken in trade as a partial payment for the purchased motor vehicle. The retail value of a motor vehicle for which a certificate of title is issued because of a sale of the motor vehicle by a seller who is not a retailer is the market value of the vehicle, less the amount of any allowance given by the seller for a motor vehicle taken in trade as a partial payment for the purchased motor vehicle. The retail value of a motor vehicle for which a certificate of title is issued because of a reason other than the sale of the motor vehicle is the market value of the vehicle. The market value of a vehicle is presumed to be the value of the vehicle set in a schedule of values adopted by the Commissioner.

1 (c) Schedules. — In adopting a schedule of values for motor vehicles, the
2 Commissioner shall adopt a schedule whose values do not exceed the wholesale values
3 of motor vehicles as published in a recognized automotive reference manual."

4 Sec. 2. G.S. 105-187.7 reads as rewritten:

5 **"§ 105-187.7. Credit for tax paid in another state.**

6 A person who, within 90 days before applying for a certificate of title for a motor
7 vehicle on which the tax imposed by this Article is due, has paid a sales tax, an excise
8 tax, or a tax substantially equivalent to the tax imposed by this Article on the vehicle to
9 a taxing jurisdiction outside this State is entitled to a credit against the tax due under this
10 Article for the amount of tax paid to the other jurisdiction. The credit may not reduce
11 the person's liability under this Article below the minimum ~~forty dollar (\$40.00) tax.~~ tax
12 set in G.S. 105-187.3."

13 Sec. 3. G.S. 105-187.8 reads as rewritten:

14 **"§ 105-187.8. Refund for return of purchased motor vehicle.**

15 When a purchaser of a motor vehicle returns the motor vehicle to the seller of the
16 motor vehicle within 90 days after the purchase and receives a vehicle replacement for
17 the returned vehicle or a refund of the price paid the seller, whether from the seller or
18 the manufacturer of the vehicle, the purchaser may obtain a refund of the privilege tax
19 paid on the certificate of title issued for the returned motor vehicle, less the minimum
20 ~~tax of forty dollars (\$40.00).~~ set in G.S. 105-187.3.

21 To obtain a refund, the purchaser must apply to the Division for a refund within 30
22 days after receiving the replacement vehicle or refund of the purchase price. The
23 application must be made on a form prescribed by the Commission and must be
24 supported by documentation from the seller of the returned vehicle."

25 Sec. 4. This act becomes effective July 1, 1993.