

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: House Bill 1235

SHORT TITLE: Repeal Luxury Car Tax Break

SPONSOR(S): 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

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

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

BILL SUMMARY: The bill repeals the \$1500 cap under the highway use tax for personal vehicles, but leaves the cap in place for commercial vehicles as defined in Chapter 20 of the General Statutes (Motor Vehicle Laws). The current cap is \$1000 for all vehicles, but the cap will increase on July 1, 1993 to \$1500. The additional revenue generated is transferred to the General Fund.

EFFECTIVE DATE: July 1, 1993

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Division of Motor Vehicles, Department of Transportation

FISCAL IMPACT

	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>
REVENUES:					
GENERAL FUND	\$300,000	\$315,000	\$330,750	\$347,287	\$364,651
HIGHWAY FUND					
HIGHWAY TRUST FUND					
LOCAL					

EXPENDITURES None

POSITIONS: None

ASSUMPTIONS AND METHODOLOGY: Using registration data from the Division of Motor Vehicles and market information from dealerships with franchises to sell high-valued automobiles, it is estimated that 400 autotmobiles with values over \$50,000 are sold in one year in North Carolina.

SOURCES OF DATA: Division of Motor Vehicles, Department of Transportation; NC Motor Vehicle Dealers Association, and finance officers of several car dealerships in Wake and Mecklenburg counties

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Ruth Sappie

APPROVED BY: TOMC

DATE: June 17, 1993



Signed Copy Located in the NCGA Principal Clerk's Offices