

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 852

Short Title: Repeal Minimum Hwy. Use Tax.

(Public)

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Sponsors: Representatives Bowie; Aldridge, Allred, Arnold, Baker, Barbee, Beall, Berry, Black, Bowen, Boyd-McIntyre, Brawley, J. Brown, W. Brown, Buchanan, Cansler, Capps, Carpenter, Church, Clary, Cocklereece, Crawford, Creech, Culp, Culpepper, Cunningham, Daughtry, Davis, Decker, Dockham, Eddins, Ellis, Fitch, Fox, Gardner, Grady, Gray, Hayes, Hensley, Hill, Holmes, Howard, Hurley, Ives, Justus, Lee, Lemmond, Linney, Locke, Luebke, McAllister, McComas, McCombs, McCrary, McMahan, G. Miller, K. Miller, Mitchell, Morgan, Neely, Pate, Preston, Pulley, Rayfield, Reynolds, Richardson, Robinson, Russell, Sexton, Sharpe, Shaw, Sherrill, Shubert, Sutton, Thompson, Warner, Watson, Weatherly, Wilkins, G. Wilson, Womble, and Yongue.

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Referred to: Transportation, if favorable, Finance.

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April 12, 1995

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE MINIMUM HIGHWAY USE TAX.

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 dollars (\$1,000) for each certificate of title issued for a Class A or Class B motor vehicle that is a commercial motor vehicle, as defined in G.S. 20-4.01. The tax

1 may not be more than one thousand five hundred dollars (\$1,500) for each certificate of  
2 title issued for any other motor vehicle."

3 Sec. 2. G.S. 105-187.6(b) reads as rewritten:

4 "(b) Partial Exemptions. – A maximum tax of forty dollars (\$40.00) ~~Only the~~  
5 ~~minimum tax imposed by this Article~~ applies when a certificate of title is issued as the result  
6 of a transfer of a motor vehicle:

7 (1) To a secured party who has a perfected security interest in the motor  
8 vehicle.

9 (2) To a partnership or corporation as an incident to the formation of the  
10 partnership or corporation and no gain or loss arises on the transfer  
11 under section 351 or section 721 of the Internal Revenue Code, or to a  
12 corporation by merger or consolidation in accordance with G.S. 55-11-  
13 06."

14 Sec. 3. G.S. 105-187.7 reads as rewritten:

15 "**§ 105-187.7. Credit for tax paid in another state.**

16 A person who, within 90 days before applying for a certificate of title for a motor  
17 vehicle on which the tax imposed by this Article is due, has paid a sales tax, an excise  
18 tax, or a tax substantially equivalent to the tax imposed by this Article on the vehicle to a  
19 taxing jurisdiction outside this State is entitled to a credit against the tax due under this  
20 Article for the amount of tax paid to the other jurisdiction. ~~The credit may not reduce the~~  
21 ~~person's liability under this Article below the minimum forty dollar (\$40.00) tax."~~

22 Sec. 4. G.S. 105-187.8 reads as rewritten:

23 "**§ 105-187.8. Refund for return of purchased motor vehicle.**

24 When a purchaser of a motor vehicle returns the motor vehicle to the seller of the  
25 motor vehicle within 90 days after the purchase and receives a vehicle replacement for  
26 the returned vehicle or a refund of the price paid the seller, whether from the seller or the  
27 manufacturer of the vehicle, the purchaser may obtain a refund of the privilege tax paid  
28 on the certificate of title issued for the returned motor vehicle, ~~less the minimum tax of forty~~  
29 ~~dollars (\$40.00).~~ vehicle.

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

34 Sec. 5. This act becomes effective October 1, 1995.