

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H

1

HOUSE BILL 1834

Short Title: Eliminate Family Vehicle Tax.

(Public)

Sponsors: Representatives Allred; Capps, Davis, Rayfield, and Morris.

Referred to: Finance.

May 30, 2000

A BILL TO BE ENTITLED

AN ACT TO PHASE OUT THE PROPERTY TAX ON FAMILY VEHICLES AND TO REIMBURSE LOCAL GOVERNMENTS FOR THE RESULTING REVENUE LOSS.

The General Assembly of North Carolina enacts:

Section 1. Article 22A of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-330.10. Family vehicles.

(a) Definitions. – The definitions provided in G.S. 20-4.01 apply in this section. In addition, for the purpose of this section, ‘family vehicle’ means a property-hauling vehicle that has a registered gross vehicle weight of under 7,000 pounds or a private passenger vehicle, if the property-hauling vehicle or passenger vehicle meets all of the following conditions:

(1) It is owned by an individual or jointly owned by two individuals.

(2) It is used by the owner for a purpose other than the production of income and is not used in connection with a business.

(3) It is not an antique automobile as defined in G.S. 105-330.9.

(b) Classification. – Family vehicles are designated a special class of property under Article V, Sec. 2(2) of the North Carolina Constitution and shall be assessed for taxation in accordance with this subsection.

1 (c) Partial Exclusion. – For taxable years beginning before October 1, 2006, the
2 applicable amount of appraised value of a family vehicle, as provided in the table below,
3 based on the taxable year is excluded from taxation:

<u>Tax Year Beginning</u> <u>on or After</u>	<u>Applicable Amount</u>
<u>October 1, 2000</u>	<u>\$ 5,000</u>
<u>October 1, 2002</u>	<u>10,000</u>
<u>October 1, 2004</u>	<u>15,000</u>

4
5
6
7
8
9 (d) Complete Exclusion. – For taxable years beginning on or after October 1,
10 2006, family vehicles are excluded from taxation under this Subchapter.

11 (e) Reimbursement. – On February 1 of each year, the tax collector of each county
12 and the tax collector of each city shall furnish the Department of Revenue a list
13 identifying every family vehicle that qualified for the family vehicle tax reduction
14 provided in this section during the previous calendar year. The list shall itemize for each
15 family vehicle that qualified: its value, the name and address of its owner, the tax rate the
16 vehicle is subject to, and the product obtained by multiplying the tax rate times the lesser
17 of the vehicle's value or the amount of the value excluded from taxation under this
18 section. The lists shall be accompanied by an affidavit attesting to the accuracy of the list
19 and shall be on a form prescribed by the Secretary of Revenue. The Secretary of
20 Revenue may, for cause, grant an extension for the submission of a list required by this
21 section.

22 Before May 31 of each year, the Secretary of Revenue shall distribute to the county or
23 city the total for the entire list provided pursuant to this subsection of the product
24 obtained by multiplying the excluded amount for each family vehicle times the applicable
25 tax rate. Any funds received by any county or city pursuant to this subsection because
26 the county or city was collecting taxes for another unit of government or special district
27 must be credited to the funds of that other unit or district in accordance with guidelines
28 prescribed by the Local Government Commission.

29 In order to pay for the reimbursement under this subsection and the cost to the
30 Department of Revenue of administering the reimbursement, the Secretary of Revenue
31 shall draw from individual income tax collections received under Part 1 of Article 4 of
32 this Chapter an amount equal to the reimbursement and the cost of administration."

33 Section 2. This act is effective for taxes imposed for taxable years beginning
34 on or after October 1, 2000.