

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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**HOUSE BILL 72*
Senate Finance Committee Substitute Adopted 11/28/01**

Short Title: Modify Vehicle Tax Refund & Tax Cap.

(Public)

Sponsors:

Referred to:

February 8, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO EXTEND THE DEADLINE FOR APPLYING FOR A RELEASE OR
3 REFUND OF PROPERTY TAXES AFTER THE OWNER HAS SURRENDERED
4 THE VEHICLE LICENSE PLATE, AND TO CAP THE HIGHWAY USE TAX
5 ON CERTAIN RECREATIONAL VEHICLES AT \$1,500 PER VEHICLE.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** G.S. 105-330.6(c), as amended by S.L. 2001-406, reads as
8 rewritten:

9 "(c) Surrender of Plates. – If the owner of a classified motor vehicle listed
10 pursuant to G.S. 105-330.3(a)(1) either transfers the motor vehicle to a new owner or
11 moves out-of-state and registers the vehicle in another jurisdiction, and the owner
12 surrenders the registration plates from the listed vehicle to the Division of Motor
13 Vehicles, then the owner may apply for a release or refund of taxes on the vehicle for
14 any full calendar months remaining in the vehicle's tax year after the date of surrender.
15 To apply for a release or refund, the owner must present to the county tax collector
16 within ~~120 days~~ one year after surrendering the plates the receipt received from the
17 Division of Motor Vehicles accepting surrender of the registration plates. The county
18 tax collector shall then multiply the amount of the taxes for the tax year on the vehicle
19 by a fraction, the denominator of which is 12 and the numerator of which is the number
20 of full calendar months remaining in the vehicle's tax year after the date of surrender of
21 the registration plates. The product of the multiplication is the amount of taxes to be
22 released or refunded. If the taxes have not been paid at the date of application, the
23 county tax collector shall make a release of the prorated taxes and credit the owner's tax
24 notice with the amount of the release. If the taxes have been paid at the date of
25 application, the county tax collector shall direct an order for a refund of the prorated
26 taxes to the county finance officer, and the finance officer shall issue a refund to the
27 vehicle owner."

28 **SECTION 1.(b)** This section is effective when it becomes law.

1 **SECTION 2.(a)** G.S. 105-187.3(a), as amended by Section 34.24 of S.L.
2 2001-424, reads as rewritten:

3 "(a) Amount. – The rate of the use tax imposed by this Article is three percent
4 (3%) of the retail value of a motor vehicle for which a certificate of title is issued. The
5 tax is payable as provided in G.S. 105-187.4. ~~The tax may not be more than~~ maximum
6 tax is one thousand dollars (\$1,000) for each certificate of title issued for a Class A or
7 Class B motor vehicle that is a commercial motor vehicle, as defined in G.S. 20-4.01.
8 The maximum tax is one thousand five hundred dollars (\$1,500) for each certificate of
9 title issued for a recreational vehicle that is not subject to the one thousand dollar
10 (\$1,000) maximum tax."

11 **SECTION 2.(b)** G.S. 105-187.1, as amended by Section 34.24 of S.L.
12 2001-424, reads as rewritten:

13 **"§ 105-187.1. Definitions.**

14 The following definitions and the definitions in G.S. 105-164.3 apply to this Article:

15 (1) Commissioner. – The Commissioner of Motor Vehicles.

16 (2) Division. – The Division of Motor Vehicles, Department of
17 Transportation.

18 (3) Long-term lease or rental. – A lease or rental made under a written
19 agreement to lease or rent property to the same person for a period of
20 at least 365 continuous days.

21 ~~(3a) Rescue squad. – An organization that provides rescue services,~~
22 ~~emergency medical services, or both.~~

23 ~~(3b) Retailer. – A retailer as defined in G.S. 105-164.3 who is engaged in~~
24 ~~the business of selling, leasing, or renting motor vehicles.~~

25 ~~(4) Short term lease or rental. – A lease or rental that is not a long term~~
26 ~~lease or rental.~~

27 (4) Recreational vehicle. – A motorized or towable vehicle that combines
28 transportation and temporary living quarters for travel, recreation, and
29 camping. To qualify as a motorized recreational vehicle, the vehicle
30 must be a camping and travel vehicle built on or as an integral part of a
31 self-propelled motor vehicle chassis. If a towable vehicle is of such
32 size or weight as to require a special highway movement permit, it is
33 not a recreational vehicle. Towable recreational vehicles include travel
34 trailers, fifth-wheel travel trailers, folding camping trailers, and truck
35 campers.

36 (5) Rescue squad. – An organization that provides rescue services,
37 emergency medical services, or both.

38 (6) Retailer. – A retailer as defined in G.S. 105-164.3 who is engaged in
39 the business of selling, leasing, or renting motor vehicles.

40 (7) Short-term lease or rental. – A lease or rental that is not a long-term
41 lease or rental."

42 **SECTION 2.(c)** G.S. 105-187.5(b), as amended by Section 34.24 of S.L.
43 2001-424, reads as rewritten:

1 "(b) Rate. – The tax rate on the gross receipts from the short-term lease or rental
2 of a motor vehicle is eight percent (8%) and the tax rate on the gross receipts from the
3 long-term lease or rental of a motor vehicle is three percent (3%). Gross receipts does
4 not include the amount of any allowance given for a motor vehicle taken in trade as a
5 partial payment on the lease or rental price. The maximum tax in G.S. 105-187.3(a) on
6 certain ~~commercial~~ motor vehicles applies to a continuous lease or rental of such a
7 motor vehicle to the same person."

8 **SECTION 2.(d)** This section is effective when it becomes law and applies
9 retroactively to certificates of title issued on or after October 1, 2001.