

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

Legislative Fiscal Note

BILL NUMBER: Senate Bill 266 (First Edition)

SHORT TITLE: Increase Regional Transportation Tax Cap.

SPONSOR(S): Senator Parmon

FISCAL IMPACT

(\$ in millions)

Yes No No Estimate Available

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
State Impact					
General Fund Revenues:					
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Local Impact					
Revenues:	1.9	2.0	2.0	2.1	2.1
Expenditures:					
NET LOCAL IMPACT	\$1.9	\$2.0	\$2.0	\$2.1	\$2.1

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Piedmont Authority for Regional Transportation; NC Dept. of Revenue

EFFECTIVE DATE: Become effective when law.

TECHNICAL CONSIDERATIONS:

None

BILL SUMMARY:

S 266 increases the cap on the gross receipts tax on short-term rental vehicles from 5% to 8% for regional transportation authorities established under G.S. Chapter 160A, Article 27. The only

transportation authority affected would be the Piedmont Authority for Regional Transportation (PART). PART may levy the gross receipts tax subject to initial authorization from county boards of commissioners. The tax is currently collected in Davidson, Davie, Forsyth, Guilford, Stokes, Surry and Yadkin counties. The tax is levied on retailers engaged in the business of short-term lease or rental of U-drive-it vehicles or motorcycles.

ASSUMPTIONS AND METHODOLOGY:

According to PART, collections from the current 5% gross receipts tax on short-term rentals is approximately \$3.2 million annually, or approximately \$0.64 million for each 1%. Therefore, the increase of 3% would result in additional revenue of approximately \$1.9 million annually. An inflation factor of 3% is assumed for future years.

SOURCES OF DATA: Piedmont Authority for Regional Transportation

TECHNICAL CONSIDERATIONS: None

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