

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 9

Short Title: Uniform Leasing Rate/Fix Sales Tax Gaps.

(Public)

Sponsors: Representatives Lilley, Abernethy, Brawley, and Hasty.

Referred to: Rules.

February 4, 1991

A BILL TO BE ENTITLED

AN ACT TO REINSTATE SALES TAX ON MOPEDS, TOW DOLLIES, AND
CERTAIN VEHICLE BODIES AND TO ESTABLISH A UNIFORM LONG-
TERM LEASING RATE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.3(8b) reads as rewritten:

"(8b) 'Motor vehicle' means ~~any vehicle which is self-propelled and designed primarily for use upon the highways, any vehicle which is propelled by electric power obtained from trolley wires but not operated upon rails, and any vehicle designed to run upon the highways which is propelled by a self-propelled vehicle, but shall not include any implement of husbandry, farm tractor, road construction or maintenance machinery or equipment, special mobile equipment as defined in G.S. 20-4.01, any vehicle designed primarily for use in work off the highway, or a manufactured home.~~ a vehicle that is designed primarily for use upon the highways and is either self-propelled or propelled by a self-propelled vehicle, but does not include:

- a. A moped as defined in G.S. 20-4.01(27)(d1).
- b. Special mobile equipment as defined in G.S. 20-4.01(44).
- c. A tow dolly that is exempt from motor vehicle title and registration requirements under G.S. 20-51(10) or (11).
- d. A farm tractor or other implement of husbandry.

1 e. A manufactured home.

2 f. Road construction or road maintenance machinery or
3 equipment."

4 Sec. 2. G.S. 105-164.13(32) reads as rewritten:

5 "(32) Sales of motor vehicles, the ~~separate sales~~ sale of a motor vehicle body
6 ~~and a motor vehicle chassis when the body is to be mounted on the chassis,~~
7 a motor vehicle chassis when a certificate of title has not been issued
8 for the chassis, and the sale of a motor vehicle body mounted on a
9 motor vehicle chassis that temporarily enters the State so the
10 manufacturer of the body can mount the body on the chassis. ~~of the~~
11 ~~sale."~~

12 Sec. 3. G.S. 105-164.3(7a) reads as rewritten:

13 "(7a) 'Lease or rental' means ~~the leasing or renting of tangible personal~~
14 ~~property and the possession or use thereof by the lessee or renter for a~~
15 ~~consideration without transfer of the title of such property.~~ a transfer,
16 for consideration, of the use but not the ownership of property to
17 another for a period of time."

18 Sec. 4. G.S. 105-187.1 reads as rewritten:

19 **"§ 105-187.1. Definitions.**

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

21 (1) 'Commissioner' means the Commissioner of Motor Vehicles.

22 (2) 'Division' means the Division of Motor Vehicles, Department of
23 Transportation.

24 (3) 'Long-term lease or rental' means a lease or rental made under a
25 written agreement to lease or rent property to the same person for a
26 period of at least 365 continuous days.

27 (4) 'Short-term lease or rental' means a lease or rental that is not a long-
28 term lease or rental."

29 Sec. 5. G.S. 105-187.5(b) reads as rewritten:

30 "(b) Rate. The tax rate on the gross receipts ~~of from the~~ short-term lease or rental
31 of a motor vehicle is eight percent (8%), ~~unless the vehicle is leased or rented to the~~
32 ~~same person for a period of more than 90 continuous days. In that circumstance, the tax~~
33 ~~is eight percent (8%) for the first 90 days the vehicle is leased or rented to the same~~
34 ~~person and is three percent (3%) for the remainder of the period during which the~~
35 ~~vehicle is leased or rented to that person.~~ (8%) and the tax rate on the gross receipts
36 from the long-term lease or rental of a motor vehicle is three percent (3%). The
37 maximum tax in G.S. 105-187.3(a) applies to ~~the a~~ a continuous lease or rental of a motor
38 vehicle to the same person when the vehicle is leased or rented to the same person for
39 more than 90 continuous days. Tax paid by a person from the first day of a continuous
40 lease or rental period applies toward the maximum tax."

41 Sec. 6. This act becomes effective July 1, 1991.