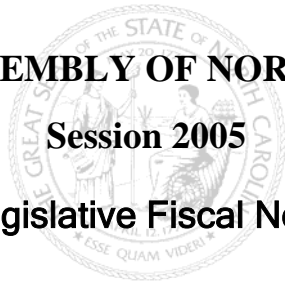


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 988 (Second Edition)

SHORT TITLE: Property Tax – Value of Motor Vehicles.

SPONSOR(S): Representatives Church and Blackwood

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:	See Assumptions and Methodology				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Local Governments, NC Department of Revenue					
EFFECTIVE DATE: On or after July 1, 2005.					

BILL SUMMARY:

This bill prohibits tax assessors who use the sales price for appraisal of motor vehicles from including any Highway Use Tax for purposes of determining the property tax owed on the vehicle.

ASSUMPTIONS AND METHODOLOGY:

According to the North Carolina Department of Revenue, there are no counties currently using the sales price to determine the value of motor vehicles. Most counties use pricing guides developed by Tax Equity Consultants (TEC) or the National Automobile Dealers Association to determine the average retail prices paid for motor vehicles.

In some instances in which the assessed value of a vehicle is appealed by the taxpayer, assessors may use the bill of sale that includes Highway Use Tax as documentation for changing the assessed value. To the extent that this occurs, this bill would result in lower revenue for local governments. It is expected that the revenue impact would be small, however, the exact amount is not known.

SOURCES OF DATA: North Carolina Department of Revenue

TECHNICAL CONSIDERATIONS: None

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DATE: August 10, 2005



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