**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1995**

**H**                                                                                                      **1**

HOUSE BILL 768

Short Title:  Use Tax Trade-In Allowance.                                        (Public)

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Sponsors: Representatives Sexton; Adams, Beall, Bowen, Buchanan, Carpenter, Clary, Cocklereece, Culp, Fitch, Hurley, Justus, McComas, K. Miller, Mitchell, Pate, Sharpe, Snowden, Sutton, Warner, Womble, Wright, and Yongue.

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Referred to:  Finance.

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April 6, 1995

1      A BILL TO BE ENTITLED
2  AN ACT TO PROVIDE THAT THE HIGHWAY USE TAX TRADE-IN
3      ALLOWANCE APPLIES WHEN TWO CARS ARE EXCHANGED FOR ONE
4      ANOTHER.
5  The General Assembly of North Carolina enacts:
6          Section 1.  G. S. 105-187.3(b) reads as rewritten:
7      "(b)    Retail Value. – The retail value of a motor vehicle for which a certificate of
8  title is issued because of a sale of the motor vehicle by a retailer is the sales price of the
9  motor vehicle, including all accessories attached to the vehicle when it is delivered to the
10  purchaser, less the amount of any allowance given by the retailer for a motor vehicle
11  taken in trade as a <u>full or</u> partial payment for the purchased motor vehicle.  The retail
12  value of a motor vehicle for which a certificate of title is issued because of a sale of the
13  motor vehicle by a seller who is not a retailer is the market value of the vehicle, less the
14  amount of any allowance given by the seller for a motor vehicle taken in trade as a <u>full or</u>
15  partial payment for the purchased motor vehicle.  <u>A transaction in which two parties</u>
16  <u>exchange motor vehicles is considered a sale regardless of whether either party gives</u>
17  <u>additional consideration as part of the transaction.</u> The retail value of a motor vehicle for
18  which a certificate of title is issued because of a reason other than the sale of the motor

1 vehicle is the market value of the vehicle.  The market value of a vehicle is presumed to
2 be the value of the vehicle set in a schedule of values adopted by the Commissioner."
3       Sec. 2.  This act becomes effective July 1, 1995, and applies to certificates of
4 title issued on or after that date.