

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1076

Short Title: Reform Local Tax on Rental Cars.

(Public)

Sponsors: Senator Cooper.

Referred to: Finance.

April 15, 1999

A BILL TO BE ENTITLED

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2 AN ACT TO REPEAL THE PROPERTY TAX ON CERTAIN VEHICLES LEASED
3 OR RENTED UNDER A SHORT-TERM LEASE OR RENTAL AND TO
4 REPLACE THE TAX REVENUE WITH A LOCAL OPTION PRIVILEGE
5 LICENSE TAX ON GROSS RECEIPTS DERIVED FROM CERTAIN SHORT-
6 TERM CAR RENTALS.

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 105-275 is amended by adding a new subdivision to read:

9 "(41) A u-drive-it passenger vehicle that is leased or rented under a 30-day
10 lease or rental by a retailer. For the purposes of this subdivision, the
11 terms "retailer", "30-day lease or rental", and "u-drive-it passenger
12 vehicle" have the same meanings as in G.S. 153A-152.2 and G.S. 160A-
13 211.2."

14 Section 2. Chapter 153A of the General Statutes is amended by adding a new
15 section to read:

16 **§ 153A-152.2. Privilege license tax on rental car business.**

17 A county may levy an annual privilege license tax on the gross receipts of a retailer
18 engaged in the business of leasing or renting u-drive-it passenger vehicles. The tax rate
19 may not exceed two percent (2%) of the retailer's gross receipts from 30-day leases or
20 rentals of u-drive-it passenger vehicles. The following definitions apply in this section:

1 (1) Retailer. – Defined in G.S. 105-164.3.

2 (2) Thirty-day lease or rental. – A lease or rental made under a written
3 agreement to lease or rent a u-drive-it passenger vehicle to the same
4 person for a period of no more than 30 consecutive days.

5 (3) U-drive-it passenger vehicle. – A passenger vehicle that is registered
6 under G.S. 20-87(2) and has a passenger capacity of no more than 15
7 passengers."

8 Section 3. Chapter 160A of the General Statutes is amended by adding a new
9 section to read:

10 **"§ 160A-211.2. Privilege license tax on rental car business.**

11 A city may levy an annual privilege license tax on the gross receipts of a retailer
12 engaged in the business of leasing or renting u-drive-it passenger vehicles. The tax rate
13 may not exceed two percent (2%) of the retailer's gross receipts from 30-day leases or
14 rentals of u-drive-it passenger vehicles. The following definitions apply in this section:

15 (1) Retailer. – Defined in G.S. 105-164.3.

16 (2) Thirty-day lease or rental. – A lease or rental made under a written
17 agreement to lease or rent a u-drive-it passenger vehicle to the same
18 person for a period of no more than 30 consecutive days.

19 (3) U-drive-it passenger vehicle. – A passenger vehicle that is registered
20 under G.S. 20-87(2) and has a passenger capacity of no more than 15
21 passengers."

22 Section 4. Section 1 of this act becomes effective for taxes imposed for
23 taxable years beginning on or after July 1, 2000. The remainder of this act becomes
24 effective July 1, 2000.