

April 15, 1999

S 1076. REFORM LOCAL TAX ON RENTAL CARS. TO REPEAL THE PROPERTY TAX ON CERTAIN VEHICLES LEASED OR RENTED UNDER A SHORT-TERM LEASE OR RENTAL AND TO REPLACE THE TAX REVENUE WITH A LOCAL OPTION PRIVILEGE LICENSE TAX ON GROSS RECEIPTS DERIVED FROM CERTAIN SHORT-TERM CAR RENTALS. Adds new GS 105-273(41) to exempt from property tax u-drive-it passenger vehicles leased or rented under a 30-day lease or rental by a retailer. Adds new GS 153-152.2 and 160A-211.2 to allow counties and cities to levy annual privilege license tax on gross receipts of retailer leasing or renting u-drive-it passenger vehicles for periods of up to 30 days. Rate may not exceed two percent of gross receipts. Property tax changes effective for taxes imposed for tax years beginning on or after July 1, 2000; rest of act effective July 1, 2000.

Intro. by Cooper.

Ref. to Finance

GS 105, 153A, 160A

July 1, 1999

S 1076. REFORM LOCAL TAX ON RENTAL CARS. Intro. 4/15/99. Senate committee substitute makes the following changes to 1st edition. Rewrites bill to amend GS 105-275 to provide that vehicle offered at retail for short term lease or rental is not subject to local property tax. Adds new GS 153A-152.2 and 160A-211.2 to authorize counties and cities to levy gross receipts tax on short term leases and rentals of vehicles at retail. Tax may not exceed 1% of gross receipts. Requires leasing entity to give notice of tax to consumers. Transaction deemed to occur where delivery of vehicle taken. Proceeds not subject to other creditors of leasing entity. Effective for taxable years beginning on or after July 1, 2000.

July 6, 1999

S 1076 REFORM LOCAL TAX ON RENTAL CARS. Intro. 4/15/99. Senate amendment makes technical changes to 2nd edition.

July 15, 1999

S 1076. REFORM LOCAL TAX ON RENTAL CARS. Intro. 4/15/99. House committee substitute makes the following changes to 3rd edition. Increases maximum gross receipts tax rate for rental cars from 1 to 1½% and provides that the tax is administered under retail sales tax law rather than optional gross receipts tax provisions. To collect taxes, authorizes board of county commissioners or city council to exercise rights granted to Sec'y of Revenue in collecting taxes under sales tax. Requires Fiscal Research Division of General Assembly to compare revenue generated by this act as compared with revenue that would have been generated by an ad valorem tax and report findings to 2003 General Assembly.