

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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SENATE DRS15089-MLxfa-91B (2/24)

Short Title: Distribution of Highway Use Tax and Fees. (Public)

Sponsors: Senators Rabon and Meredith (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ADJUST THE RATE OF THE HIGHWAY USE TAX FOR THE SHORT-TERM LEASE OR RENTAL OF A MOTOR VEHICLE, TO ADJUST THE DISTRIBUTION OF THE HIGHWAY USE TAXES COLLECTED ON THE SHORT-TERM LEASE OR RENTAL OF A MOTOR VEHICLE, TO ADJUST THE DISTRIBUTION OF THE PROCEEDS FROM CERTAIN FEES COLLECTED BY THE DIVISION OF MOTOR VEHICLES, AND TO APPROPRIATE FUNDS ON AN ANNUAL BASIS FROM THE HIGHWAY FUND TO THE NORTH CAROLINA STATE PORTS AUTHORITY AND THE DIVISION OF AVIATION OF THE DEPARTMENT OF TRANSPORTATION.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-187.5(b) reads as rewritten:

"(b) Rate. – The tax rate on the gross receipts from the short-term lease or rental of a motor vehicle is ~~eight percent (8%)~~ nine percent (9%) and the tax rate on the gross receipts from the long-term lease or rental of a motor vehicle is three percent (3%). Gross receipts does not include the amount of any allowance given for a motor vehicle taken in trade as a partial payment on the lease or rental price. The maximum tax in G.S. 105-187.3(a) on certain motor vehicles applies to a continuous lease or rental of such a motor vehicle to the same person."

**SECTION 2.** G.S. 105-187.9(a) reads as rewritten:

"(a) Distribution. – Taxes collected under ~~this Article at the rate of eight percent (8%) shall be credited to the General Fund. Taxes collected under this Article at the rate of three percent (3%)~~ G.S. 105-187.5(b) shall be credited to the North Carolina Highway Trust Fund."

**SECTION 3.** G.S. 20-85(b) reads as rewritten:

"(b) Except as otherwise provided in subsections (a1) and (a2) of this section, the fees collected under subdivisions (a)(1) through (a)(9) ~~of this section shall be credited to the North Carolina Highway Trust Fund. The fees collected under subdivision (a)(10) of this section shall be credited to the Highway Fund.~~"

**SECTION 4.** Notwithstanding G.S. 143C-5-2, there is appropriated from the Highway Fund to each of the following the sum of eight million dollars (\$8,000,000) in recurring funds for the 2015-2016 fiscal year:

- (1) To a reserve fund for use by the North Carolina State Ports Authority for prioritized capital improvements to State Port infrastructure and facilities.
- (2) To the Division of Aviation of the Department of Transportation for airport development.

**SECTION 5.** This act becomes effective July 1, 2015, and applies to taxes and fees collected on or after that date.



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