



**NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
House Bill 259**

AMENDMENT NO. \_\_\_\_\_  
(to be filled in by  
Principal Clerk)

H259-ASVxfr-22 [v.3]

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Amends Title [NO]  
PCS to Third Edition

Date \_\_\_\_\_, 2023

Senator Sawyer

1 moves to amend the bill on page 386, line 30, by inserting the following new section to read:

2 **"ENACT NEW TRANSPORTATION COMMERCE TAX**

3 **SECTION 42.19.(a)** Subchapter I of Chapter 105 of the General Statutes is amended  
4 by adding a new Article to read:

5 "Article 5J.

6 "Transportation Commerce Tax.

7 **"§ 105-187.90. Definitions.**

8 The following definitions apply to this Article:

- 9 (1) Reserved for future codification purposes.
- 10 (2) Reserved for future codification purposes.
- 11 (3) Exclusive-ride service. – A for-hire ground transport service requested by a  
12 passenger who requests exclusive use of the vehicle.
- 13 (4) Reserved for future codification purposes.
- 14 (5) For-hire ground transport service. – Ground transportation in a passenger  
15 vehicle provided by a for-hire ground transport service provider for which a  
16 passenger is charged a fee.
- 17 (6) For-hire ground transport service provider. – A transportation network  
18 company as defined in G.S. 20-280.1 or a taxi service regulated under  
19 G.S. 160A-304.
- 20 (7) Reserved for future codification purposes.
- 21 (8) Reserved for future codification purposes.
- 22 (9) Shared for-hire ground transport service. – A for-hire ground transport service  
23 for which an individual has been matched with another individual by a for-hire  
24 ground transport service provider.
- 25 (10) Reserved for future codification purposes.

26 **"§ 105-187.91. Tax imposed.**

27 (a) Levy and Rates. – An excise tax at the rates listed in this subsection is imposed on the  
28 gross receipts derived from each for-hire ground transport service if the passenger boards the  
29 vehicle in this State and regardless of whether the service is completed. The rates are:

- 30 (1) For an exclusive-ride service, two percent (2%).
- 31 (2) For a shared-ride service, one percent (1%).



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1       (b) Trust Tax. – The tax imposed by this Article is intended to be passed on to and borne  
2 by the purchaser of the for-hire ground transport service. The for-hire ground transport service  
3 provider, and not the vehicle driver, must collect the tax due. The tax is a debt from the purchaser  
4 to the for-hire ground transport service provider until paid and is recoverable at law by the  
5 for-hire ground transport service provider in the same manner as other debts. A for-hire ground  
6 transport service provider is considered to act as a trustee on behalf of the State when it collects  
7 tax from the purchaser on a taxable transaction. The tax must be stated and charged separately  
8 on any documentation provided to the purchaser by the for-hire ground transport service provider  
9 at the time of the transaction.

10 **"§ 105-187.92. Registration.**

11       (a) Requirement and Application. – A for-hire ground transport service provider that is  
12 not otherwise registered with the Department pursuant to G.S. 105-164.29 must register with the  
13 Department.

14       (b) Issuance. – A certificate of registration is not assignable and is valid only for the  
15 person in whose name it is issued. A copy of the certificate of registration must be displayed at  
16 each place of business.

17       (c) Term. – A certificate of registration is valid unless it is revoked for failure to comply  
18 with the provisions of this Article or becomes void. A certificate issued to a person who makes  
19 taxable sales or a person liable for tax under this Article becomes void if, for a period of 18  
20 months, the person files no returns or files returns showing no sales.

21       (d) Revocation. – The failure of a retailer to comply with this Article is grounds for  
22 revocation of the person's certificate of registration. Before the Secretary revokes a person's  
23 certificate of registration, the Secretary must notify the person that the Secretary proposes to  
24 revoke the certificate of registration and that the proposed revocation will become final unless  
25 the person objects to the proposed revocation and files a request for a Departmental review within  
26 the time set in G.S. 105-241.11 for requesting a Departmental review of a proposed assessment.  
27 The notice must be sent in accordance with the methods authorized in G.S. 105-241.20. The  
28 procedures in Article 9 of this Chapter for review of a proposed assessment apply to the review  
29 of a proposed revocation.

30 **"§ 105-187.93. Administration.**

31       Except as otherwise provided in this Article, the tax imposed by this Article shall be collected  
32 and administered in the same manner as the State sales and use taxes imposed by Article 5 of this  
33 Chapter. The provisions of Article 9 of this Chapter that are not inconsistent with this Article,  
34 including administration, auditing, making returns, promulgation of rules and regulations by the  
35 Secretary, additional taxes, assessments and assessment procedure, imposition and collection of  
36 taxes and the lien thereof, and penalties are made a part of this Article and shall be applicable  
37 thereto.

38 **"§ 105-187.94. Exemptions and refunds.**

39       The exemptions and refunds allowed in Article 5 of this Chapter do not apply to sales that  
40 the State cannot constitutionally tax.

41 **"§ 105-187.95. Use of tax proceeds.**

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1        Each quarter, the Secretary shall credit the net tax proceeds of the taxes collected under this  
2 Article to the Highway Fund. The Department of Transportation shall reimburse the Department  
3 for the cost of collection."

4                **SECTION 42.19.(b)** This section becomes effective January 1, 2025, and applies to  
5 for-hire ground transport services occurring on or after that date."

SIGNED \_\_\_\_\_  
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_      FAILED \_\_\_\_\_      TABLED \_\_\_\_\_