

NORTH CAROLINA GENERAL ASSEMBLY  
1981 SESSION

CHAPTER 976  
HOUSE BILL 873

AN ACT TO AMEND THE TAX PROVISIONS OF CHAPTER 20 RELATING TO CARRIERS OF PASSENGERS OR PROPERTY.

The General Assembly of North Carolina enacts:

**Section 1.** G.S. 20-87 is amended by striking subsection (1) and inserting in lieu thereof the following subsection:

"(1) Common Carrier, Contract Carriers and Exempt For-Hire Passenger Carrier Vehicles. For-hire passenger vehicles shall be taxed at the rate of seventy-five dollars (\$75.00) per year for each vehicle of nine passenger capacity or less and vehicles of over nine passenger capacity shall be classified as buses and shall be taxed at a rate of one dollar and forty cents (\$1.40) per hundred pounds of empty weight per year for each vehicle; provided, however, no license shall be issued for the operation of any taxicab until the governing body of the city or town in which such taxicab is principally operated, if the principal operation is in a city or town, has issued a certificate showing:

- a. that the operator of such taxicab has provided liability insurance or other form of indemnity for injury to person or damage to property resulting from the operation of such taxicab, in such amount as required by the city or town, and
- b. that the convenience and necessity of the public requires the operation of such taxicab.

All persons operating taxicabs on January 1, 1945, shall be entitled to a certificate of necessity and convenience for the number of taxicabs operated by them on such date, unless since said date the license of such person or persons to operate a taxicab or taxicabs has been revoked or their right to operate has been withdrawn or revoked; provided that all persons operating taxicabs in Edgecombe, Lee, Nash and Union Counties on January 1, 1945, shall be entitled to certificates of necessity and convenience only with the approval of the governing authority of the town or city involved.

A taxicab shall be defined as any motor vehicle, seating nine or fewer passengers, operated upon any street or highway on call or demand, accepting or soliciting passengers indiscriminately for hire between such points along streets or highways as may be directed by the passenger or passengers so being transported, and shall not include motor vehicles or motor vehicle carriers as defined in G.S. 62-259 through G.S. 62-281. Such taxicab shall not be construed to be a common carrier nor its operator a public service corporation."

**Sec. 2.** G.S. 20-87(2) is amended by striking the words and figures "two dollars and forty cents (\$2.40)" appearing in lines 8 and 9 and inserting in lieu thereof the words and figures "one dollar and forty cents (\$1.40)".

**Sec. 3.** G.S. 20-87 is amended by deleting subsection (3) and redesignating subsection (4) as subsection (3) and the remaining subsections accordingly.

**Sec. 4.** G.S. 20-87(3) as redesignated relating to limousine vehicles is amended by striking the statutory cite "G.S. 20-87(3)" appearing in line 4 and inserting in lieu thereof the statutory cite "G.S. 20-87(1)".

**Sec. 5.** G.S. 20-87.1 is rewritten to read:

**"§ 20-87.1. Reciprocity; passenger buses operated by common carrier of passengers. —** When a resident common carrier of passengers of this State interchanges a properly licensed bus with another common carrier of passengers who is a resident of another state, and adequate records are on file in its office to verify such interchanges, the North Carolina licensed common carrier of passengers may use the bus licensed in such other state the same as if it is its own during the time the nonresident carrier is using the North Carolina licensed bus."

**Sec. 6.** G.S. 20-88 is amended by striking subsection (e) in its entirety and redesignating subsections (f), (g) and (h) as (e), (f) and (g) respectively.

**Sec. 7.** G.S. 20-89 is hereby repealed.

**Sec. 8.** G.S. 20-90 is hereby repealed.

**Sec. 9.** G.S. 20-91 is hereby rewritten to read as follows:

**"§ 20-91. Records, applications, reports or returns required of carriers of passengers and property. —** (a) Individual motor vehicle mileage records, motor vehicle equipment records, motor vehicle inventory records and motor vehicle revenue records shall be prepared and maintained in accordance with rules and regulations issued by the commissioner.

Applications for licensing or registering motor vehicles in North Carolina shall be applied for on forms approved by the commissioner and filed in accordance with rules and regulations issued by the commissioner. Applications for licensing or registering motor vehicles in North Carolina are accepted subject to audit.

(b) It shall be the duty of the commissioner, by competent auditors, to have the books, records, tax returns, applications, and any and all other pertinent records or documents of any registrant licensing or registering motor vehicles, or that are required to license or register motor vehicles, under the provisions of this Article, audited for the purpose of determining whether such registrant is maintaining acceptable records, filing correct applications and paying correct registration fees or taxes as required.

Every registrant subject to licensing or registration and audit under the provisions of this Article shall retain all pertinent licensing and registration documents, books, records, tax returns, applications and all supporting records and documents on which an application for licensing or registration is based for a period of three full registration years. These records shall at all times during the business hours of the day be subject to audit. If it is determined these records are not located in North Carolina and it becomes necessary for the auditors to travel to the place where such records are normally kept, the registrant shall reimburse North Carolina for per diem and travel expense incurred in the performance of such audit. Where more than one registrant is audited on the same out-of-state trip, the per diem and travel expense may be prorated.

The commissioner may enter into reciprocal audit agreements with other agencies of this State or agencies of another state or states, for the purpose of conducting joint audits of any registrant subject to audit under this Article.

(c) If an audit is conducted and it becomes necessary to assess the registrant for deficiencies in registration fees or taxes due based on the audit, the assessment will be determined based on the schedule of rates prescribed for that registration year, adding thereto and as a part thereof an amount equal to five percent (5%) of the tax to be collected. If, during an audit, it is determined that:

(1) A registrant failed or refused to make acceptable records available for audit as provided by law; or

(2) A registrant misrepresented, falsified or concealed his records, then all plates and cab cards shall be deemed to have been issued erroneously and are subject to cancellation. The commissioner may assess the registrant for an additional percentage up to one hundred percent (100%) North Carolina registration fees at the rate prescribed for that registration year, adding thereto and as a part thereof an amount equal to five percent (5%) of the tax to be collected. The commissioner may cancel all registration and reciprocal privileges.

As a result of an audit, no assessment shall be issued and no claim for refund shall be allowed which is in an amount of less than ten dollars (\$10.00).

The notice of any assessments will be sent to the registrant by registered or certified mail at the address of the registrant as it appears in the records of the Division of Motor Vehicles in Raleigh. The notice, when sent in accordance with the requirements indicated above, will be sufficient regardless of whether or not it was ever received.

The failure of any registrant to pay any additional registration fees or tax within 30 days after the billing date, shall constitute cause for revocation of registration license plates, cab cards and reciprocal privileges.

(d) Except in accordance with proper judicial order, or as otherwise provided by law, it shall be unlawful for the Commissioner of Motor Vehicles, any deputy, assistant, agent, clerk, other officer, employee, or former officer or employee, to divulge or make known in any manner the amount of tax paid by any carrier of passengers or carrier of property as set forth or disclosed in any application, report or return required in remitting said tax, or as otherwise disclosed. Nothing in this section shall be construed to prohibit the publication of statistics, so classified as to prevent the identification of particular applications, reports or returns, and the items thereof; the inspection of such applications, reports or returns by the Governor, Attorney General, Utilities Commissioner, or their or its duly authorized representatives; or the inspection by a legal representative of the State of the application, report or return of any carrier of passengers or carrier of property which shall bring an action to set aside or review the tax based thereon, or against which action or proceeding has been instituted to recover any tax or penalty imposed by this Article. Any person, officer, agent, clerk, employee, or former officer or employee violating the provisions of this section shall be guilty of a misdemeanor. Nothing in this subsection or in any other law shall prevent the exchange of information between the Division of Motor Vehicles and the Department of Revenue when such information is needed by either or both of said departments for the purposes of properly enforcing the laws with the administration of which either or both of said departments is charged."

**Sec. 10.** G.S. 20-93 is hereby repealed.

**Sec. 11.** G.S. 20-110(g) is hereby amended by striking the word "common" appearing as the first word in line 2 immediately before the word "carrier" and by striking the word "common" appearing as the first word in line 3 immediately before the word "carrier".

**Sec. 12.** This act shall become effective January 1, 1982.

In the General Assembly read three times and ratified, this the 9th day of October, 1981.