

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 29
HOUSE BILL 19

AN ACT TO ALLOW LESSORS OF MOTOR VEHICLES TO ASSUME PRIMARY
RESPONSIBILITY FOR PAYMENT OF THE SPECIAL FUELS AND
HIGHWAY USE TAXES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-449.22 is rewritten to read:

"§ **105-449.22. Leased motor vehicles.** – (a) Except as provided in this section, the lessee of a motor vehicle, and not the lessor of the motor vehicle, is the 'user,' 'user-seller,' or 'supplier,' as the case may be, for the purposes of this Article.

(b) A lessor of a motor vehicle who gives written notice, by filing a report or otherwise, to the secretary that the lessor desires to be taxed as a user, user-seller or supplier may be treated by the secretary as a user, user-seller, or supplier with respect to a motor vehicle leased to another by him as well as fuel consumed by the leased motor vehicle when the lessor supplies or pays for the fuel consumed by the motor vehicle or makes rental or other charges calculated to include the cost of the fuel. A lessee may exclude from reports made pursuant to this Article a motor vehicle of which he is the lessee if that motor vehicle is leased from a lessor who is a user, user-seller, or supplier pursuant to this section.

(c) Subsections (a) and (b) govern the primary liability of lessors and lessees of motor vehicles under this Article. Both the lessor and lessee, however, are jointly and severally liable for compliance with this Article."

Sec. 2. G.S. 105-449.42 is amended by deleting the last sentence.

Sec. 3. Article 36B of Chapter 105 of the General Statutes is amended by adding a new section immediately after G.S. 105-449.42 to read:

"§ **105-449.42A. Leased motor vehicles.** – (a) Except as provided in this section, the lessee of a motor vehicle, and not the lessor of the motor vehicle, is a 'motor carrier' for the purposes of this Article.

(b) A lessor of a motor vehicle who gives written notice, by filing a report or otherwise, to the secretary that the lessor desires to be taxed as a motor carrier may be treated by the secretary as a motor carrier with respect to a motor vehicle leased to another by him as well as motor fuel consumed by the leased motor vehicle when the lessor supplies or pays for the motor fuel consumed by the motor vehicle or makes rental or other charges calculated to include the cost of the fuel. A lessee motor carrier may exclude from reports made pursuant to this Article a motor vehicle of which he is the lessee if that motor vehicle is leased from a lessor who is a motor carrier pursuant to this section.

(c) Subsections (a) and (b) govern the primary liability of lessors and lessees of motor vehicles under this Article. Both the lessor and lessee, however, are jointly and severally liable for compliance with this Article."

Sec. 4. This act shall become effective July 1, 1983, and shall apply to taxable periods beginning on and after that date.

In the General Assembly read three times and ratified, this the 23rd day of February, 1983.