§ 20-97. Taxes credited to Highway Fund; municipal vehicle taxes.

(a) State Taxes to Highway Fund. – All taxes levied under this Article are compensatory taxes for the use and privileges of the public highways of this State. The taxes collected shall be credited to the State Highway Fund. Except as provided in this section, no county or municipality shall levy any license or privilege tax upon any motor vehicle licensed by the State.

(b) Repealed by Session Laws 2015-241, s. 29.27A(a), effective July 1, 2016.

(b1) Municipal Vehicle Tax. – A city or town may levy an annual municipal vehicle tax upon any vehicle resident in the city or town. The aggregate annual municipal vehicle tax levied, including any annual municipal vehicle tax authorized by local legislation, may not exceed thirty dollars ($30.00) per vehicle. A city or town may use the net proceeds from the municipal vehicle tax as follows:

(1) General purpose. – Not more than five dollars ($5.00) of the tax levied may be used for any lawful purpose.

(2) Public transportation. – Not more than five dollars ($5.00) of the tax levied may be used for financing, constructing, operating, and maintaining local public transportation systems. This subdivision only applies to a city or town that operates a public transportation system as defined in G.S. 105-550.

(3) Public streets. – The remainder of the tax levied may be used for maintaining, repairing, constructing, reconstructing, widening, or improving public streets in the city or town that do not form a part of the State highway system.

(c) Repealed by Session Laws 2015-241, s. 29.27A(a), effective July 1, 2016.

(d) Municipal Taxi Tax. – Cities and towns may levy a tax of not more than fifteen dollars ($15.00) per year upon each vehicle operated in the city or town as a taxicab. The proceeds of the tax may be used for any lawful purpose.

(e) No Additional Local Tax. – No county, city or town may impose a franchise tax, license tax, or other fee upon a motor carrier unless the tax is authorized by this section. (1937, c. 407, s. 61; 1941, c. 36; 1943, c. 639, ss. 3, 4; 1975, c. 716, s. 5; 1977, c. 433, s. 1; c. 880, s. 1; 1979, c. 173, s. 1; c. 216, s. 1; c. 217; c. 248, s. 1; c. 398; c. 400, s. 1; c. 458; c. 530, s. 1; c. 790; 1979, 2nd Sess., c. 1152; c. 1153, s. 1; c. 1155, s. 1; c. 1189; c. 1308, s. 1; 1981, cc. 74, 129, 210, 228, 310, 311, 312, 315, 368, 370, s. 10; c. 415, s. 10; cc. 857, 858, 991; 1981 (Reg. Sess., 1982), cc. 1202, 1250; 1983, cc. 9, 75; c. 106, s. 1; c. 188, ss. 1, 2; 1993, c. 321, s. 146, c. 479, s. 4; c. 456, s. 1; 1997-417, s. 2; 2009-166, s. 2(b); 2015-241, s. 29.27A(a).)