

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 669

Short Title: Motor Vehicle Rental Tax Up.

(Public)

Sponsors: Senators Raynor, Swain, Winner, Rauch; Ballance, Basnight, Bryan, Ezzell, Guy, Harris, Hunt of Durham, Johnson of Cabarrus, Kincaid, Odom, Richardson, Smith, Soles, and Tally.

Referred to: Finance.

March 27, 1989

A BILL TO BE ENTITLED

1 AN ACT TO INCREASE THE SALES TAX ON THE LEASE OR RENTAL OF
2 MOTOR VEHICLES.
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4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-164.4(2) reads as rewritten:

6 "(2) At the rate of three percent (3%) of the gross proceeds derived from the lease or
7 rental of tangible personal property as defined herein, where the lease or rental of such
8 property is an established business, or the same is incidental or germane to said
9 business; except that whenever a rate of less than three percent (3%) is applicable to a
10 sale of property, other than a motor vehicle, which is leased or rented, the lower rate of
11 tax shall be due on such lease or rental proceeds. The tax on the gross proceeds derived
12 from the lease or rental of motor vehicles shall be at the rate of three percent (3%)."

13 Sec. 2. This act shall become effective October 1, 1989, and applies to
14 rentals and leases made on or after that date.