

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2001**

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**HOUSE BILL 853\***

Short Title: Charlotte Rental Car Tax.

(Local)

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Sponsors: Representatives McMahan; Alexander, Earle, Easterling, and Saunders.

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Referred to: Rules, Calendar, and Operations of the House.

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March 29, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CITY OF CHARLOTTE TO LEVY A GROSS RECEIPTS TAX ON SHORT-TERM RENTALS OF CERTAIN VEHICLES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 160A-215.1 reads as rewritten:

**"§ 160A-215.1. Gross receipts tax on short-term leases or rentals.**

(a) As a substitute for and in replacement of the ad valorem tax, which is excluded by G.S. 105-275(42), a city may levy a gross receipts tax on the gross receipts from the short-term lease or rental of vehicles at retail to the general public. The tax rate shall not exceed one and one-half percent (1.5%) of the gross receipts from such short-term leases or rentals. This tax on gross receipts is in addition to the privilege taxes authorized by G.S. 160A-211.

(b) If a city enacts the substitute and replacement gross receipts tax pursuant to this section, any entity required to collect the tax shall include a provision in each retail short-term lease or rental agreement noting that the percentage amount enacted by the city of the total lease or rental price, excluding highway use tax, is being charged as a tax on gross receipts. For purposes of this section, the transaction giving rise to the tax shall be deemed to have occurred at the location of the entity from which the customer takes delivery of the vehicle. The tax shall be collected at the time of lease or rental and placed in a segregated account until remitted to the city.

(c) The collection and use of taxes under this section are not subject to highway use tax and are not included in the gross receipts of the entity. The proceeds collected under this section belong to the city and are not subject to creditor liens against the entity.

(d) A tax levied under this section shall be collected by the city but otherwise administered in the same manner as the tax levied under G.S. 105-164.4(a)(2).

(e) The following definitions apply in this section:

(1) Short-term lease or rental. – Defined in G.S. 105-187.1.

1 (2) Vehicle. – Any of the following:

- 2 a. A motor vehicle of the passenger type, including a passenger  
3 van, minivan, or sport utility vehicle.  
4 b. A motor vehicle of the cargo type, including cargo van, pickup  
5 truck, or truck with a gross vehicle weight of 26,000 pounds or  
6 less used predominantly in the transportation of property for  
7 other than commercial freight and that does not require the  
8 operator to possess a commercial drivers license.  
9 c. A trailer or semitrailer with a gross vehicle weight of 6,000  
10 pounds or less.

11 (f) The penalties and remedies that apply to local sales and use taxes levied  
12 under Subchapter VIII of Chapter 105 of the General Statutes apply to a tax levied  
13 under this section. The governing body of the city may exercise any power the Secretary  
14 of Revenue may exercise in collecting local sales and use taxes.

15 (g) A city may levy a gross receipts tax on the gross receipts from the short-term  
16 lease or rental of vehicles at retail to the general public at a tax rate not to exceed five  
17 percent (5%) of the gross receipts from the short-term leases or rentals. This tax on  
18 gross receipts is in addition to the taxes authorized by subsection (a) of this section and  
19 by G.S. 160A-211.

20 A city may use the proceeds of a tax levied under this subsection only for the  
21 following purposes:

- 22 (1) Acquiring, constructing, financing, maintaining, operating, marketing,  
23 and promoting convention centers, civic centers, performing arts  
24 centers, coliseums (including arenas and stadiums), auditoriums, and  
25 museums.  
26 (2) Off-street parking for use in conjunction with one or more facilities  
27 described in subdivision (1) of this subsection.  
28 (3) Tourism and tourism-related programs and activities, including art and  
29 cultural programs, events, and festivals."

30 **SECTION 2.** This act applies to the City of Charlotte only.

31 **SECTION 3.** This act is effective when it becomes law.