

NORTH CAROLINA GENERAL ASSEMBLY  
1979 SESSION

CHAPTER 48  
HOUSE BILL 103

AN ACT TO AMEND G.S. 105-164.3, 105-164.4, AND 105-164.6 TO CLARIFY THE LIABILITY OF RETAIL DEALERS OF MOTOR VEHICLES TO PAY THE SALES TAX THEREON AND TO MAKE TECHNICAL CHANGES.

The General Assembly of North Carolina enacts:

**Section 1.** G.S. 105-164.4(1), as it appears in the 1977 Cumulative Supplement to Volume 2D of the General Statutes, is amended by deleting the second, third and fourth paragraphs and substituting in lieu thereof the following two paragraphs:

"The separate sale of a new motor vehicle chassis and a new motor vehicle body to be installed thereon, whether by the same retailer or by different retailers shall be subject only to the tax herein prescribed with respect to a single motor vehicle. No tax shall be imposed upon a body mounted on the chassis of a motor vehicle which temporarily enters the State for the purpose of having such body mounted thereon by the manufacturer thereof.

The tax levied under this division shall not apply to the sale of a motor vehicle by some person, firm or corporation who or which is not engaged in business as a retailer of motor vehicles if the tax levied under this Article has previously been paid with respect to said motor vehicle."

**Sec. 2.** G.S. 105-164.3 is amended by adding a new definition to be numbered (8A), to follow the definition of "Lease or rental" and to read as follows:

"(8A) 'Motor vehicle' means any vehicle which is self-propelled and designed primarily for use upon the highways, any vehicle which is propelled by electric power obtained from trolley wires but not operated upon rails, and any vehicle designed to run upon the highways which is propelled by a self-propelled vehicle, but shall not include any implement of husbandry, farm tractor, road construction or maintenance machinery or equipment, special mobile equipment as defined in G.S. 20-4.01, or any vehicle designed primarily for use in work off the highway."

**Sec. 3.** G.S. 105-164.6 is amended by adding the following sentence at the end of subsection (1) thereof:

"The separate sale of a new motor vehicle chassis and a new motor vehicle body to be installed thereon, whether by the same retailer or by different retailers, shall be subject only to the tax herein prescribed with respect to a single motor vehicle."

**Sec. 4.** G.S. 105-164.6 is further amended by adding a new subsection to be numbered (3A) immediately following subsection (3) and to read as follows:

"(3A) Every person, firm or corporation that purchases or acquires a motor vehicle for use on the streets and highways of this State shall pay the tax at the rate of two percent subject to a maximum tax of one hundred twenty dollars (\$120.00) per vehicle, on the sales or purchase price of such motor vehicle and said tax shall be paid to the Secretary of Revenue at the time of applying for a certificate of title, or registration and license plate or plates for such vehicle. However, if such person shall furnish to the secretary a certificate from a retailer of motor vehicles engaged in business in this State certifying

that such person has paid the tax levied thereon by this Article to the retailer, the liability of such person for the tax shall be extinguished. No certificate of title, or registration and license plate or plates shall be issued for any motor vehicle purchased or acquired for use on the streets and highways of this State unless and until the tax provided for under this Article on motor vehicles has been paid. Nothing herein is intended to relieve any retailer of motor vehicles engaged in business in this State from his liability for collecting and remitting sales or use tax on his sales of motor vehicles for use by the purchasers thereof in this State and no retailer shall be absolved of this liability for his failure to collect the tax from such purchasers.

The tax levied under this division shall not apply to the owner of a motor vehicle who has purchased or acquired said motor vehicle from some person, firm or corporation who or which is not engaged in business as a retailer of motor vehicles if the tax levied under this Article has previously been paid with respect to said motor vehicle."

**Sec. 5.** This act shall become effective July 1, 1979.

In the General Assembly read three times and ratified, this the 16th day of February,

1979.