

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 268

Short Title: Highway Use Tax Exemptions.

(Public)

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Sponsors: Senators Odom; and Blackmon.

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Referred to: Finance.

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March 25, 1991

A BILL TO BE ENTITLED

AN ACT TO EXEMPT FROM THE HIGHWAY USE TAX DONATIONS OF  
MOTOR VEHICLES TO NONPROFIT ORGANIZATIONS AND GIFTS  
BETWEEN RELATIVES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-187.6 reads as rewritten:

"§ 105-187.6. Exemptions from highway use tax.

(a) Full Exemptions. The tax imposed by this Article does not apply when a certificate of title is issued as the result of a transfer of a motor vehicle:

(1) To the insurer of the motor vehicle under G.S. 20-109.1 because the vehicle is a salvage vehicle.

(2) To either a manufacturer, as defined in G.S. 20-285, or a motor vehicle retailer for the purpose of resale.

(3) By a gift to a nonprofit organization allowed sales tax refunds pursuant to G.S. 105-164.14(b) when the motor vehicle is to be used or sold in carrying on the work of the organization.

(4) By a gift between individuals who are related by blood, affinity, or adoption.

(b) Partial Exemptions. Only the minimum tax imposed by this Article applies when a certificate of title is issued as a result of the transfer of a motor vehicle:

(1) ~~By a gift between a husband and wife or a parent and child.~~

(2) By will or intestacy.

(3) By a distribution of marital property as a result of a divorce.

1           (4) To a secured party who has filed a security interest in the motor  
2           vehicle with the Department of the Secretary of State.

3           (5) To a partnership or corporation as an incident to the formation of the  
4           partnership or corporation and no gain or loss arises on the transfer  
5           under section 351 or section 721 of the Internal Revenue Code, or to a  
6           corporation by merger or consolidation in accordance with G.S. 55-  
7           110.

8           (6) To the same owner to reflect a change in the owner's name.

9           (c) Out-of-state Vehicles. A maximum tax of one hundred dollars (\$100.00)  
10          applies when a certificate of title is issued for a motor vehicle that, at the time of  
11          applying for a certificate of title, is and has been titled in another state for at least 90  
12          days."

13           Sec. 2. This act becomes effective July 1, 1991.