



SENATE BILL 273: Motor Vehicle Tax: Waive Penalties/Interest

2015-2016 General Assembly

Committee:

Introduced by:

Analysis of: S.L. 2015-204

Date:

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SUMMARY: *S.L. 2015-204 authorizes counties to reduce or waive interest or penalties on delinquent motor vehicle taxes for tax years prior to July 1, 2013.*

This act became effective August 11, 2015.

CURRENT LAW: Article 22A of Chapter 105 of the General Statutes provides for classification, valuation, and taxation of motor vehicles. G.S. 105-330.4(b) sets out interest that applies to delinquent taxes, which accrues each month until taxes and fees are paid.

In 2005, the General Assembly created a framework establishing a combined system for motor vehicle registration renewal and property tax collection. Under the Tax & Tag Together program, the motor vehicle owner will receive one bill, and make one payment for both property taxes and vehicle registration renewal. Prior to the implementation of the Tax & Tag program, the property tax for registered motor vehicles was collected by the counties. After the implementation of the Tax & Tag program in 2013, the property tax on a registered motor vehicle is collected by the Department of Motor Vehicles when the registration for the vehicle is issued or renewed.

SESSION LAW ANALYSIS: S.L. 2015-204 allows the governing board of a county to reduce or waive any interest or penalties on delinquent taxes for registered motor vehicles upon adopting a resolution creating a uniform policy for reduction or waiver of the penalties. The provision only applies to tax years prior to July 1, 2013, when the Tax & Tag program began.

EFFECTIVE DATE: The act became effective August 11, 2015.

Wendy Graf Ray, counsel to Senate Transportation, substantially contributed to this summary.

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