



HOUSE BILL 259: 2023 Appropriations Act, Sec. 42.19: Enact New Transportation Commerce Tax

2023-2024 General Assembly

Committee:		Date:	November 29, 2023
Introduced by:		Prepared by:	Trina Griffin Staff Attorney
Analysis of:	Sec. 42.19 of S.L. 2023-134		

OVERVIEW: Section 42.19 of S.L. 2023-134 creates a new excise tax applicable to the gross receipts derived from each ride using a for-hire ground transportation service provider, such as Uber, Lyft, or a taxi service. The rate is 1.5% for exclusive ride service and 1% for shared ride service. The proceeds of the tax are credited to the Highway Fund.

This section becomes effective July 1, 2025, and applies to for-hire ground transport services occurring on or after that date.

CURRENT LAW: North Carolina does not currently impose a tax on the provision of for-hire ground transportation services.

BILL ANALYSIS: This section creates a new excise tax applicable to the gross receipts derived from each for-hire ground transport service provided by a for-hire ground transport service provider, which includes a transportation network company, such as Uber and Lyft, and taxi services.

The rate of tax is 1.5% for exclusive ride services and 1% for shared ride services. The tax applies to the extent a passenger boards the vehicle in this State and regardless of whether the service is completed. The tax will operate and be administered like a sales tax wherein it will be collected and remitted by the for-hire ground transport provider and paid for by the customer. For-hire ground transport providers must register with the Department of Revenue. The proceeds of this tax will be credited to the Highway Fund.

EFFECTIVE DATE: This section becomes effective July 1, 2025, and applies to for-hire ground transport services occurring on or after that date.

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Director



Legislative Analysis
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