



HOUSE BILL 1019: Mike Clappitt 1st Responder Tax Fairness Act.

2025-2026 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	May 12, 2026
Introduced by:	Reps. Pyrtle, Miller, Setzer, B. Jones	Prepared by:	Zoey Howe and Trina Griffin*
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *House Bill 1019 would broaden the exemption from highway use tax for volunteer fire departments and rescue squads.*

CURRENT LAW: The sale or transfer of a motor vehicle for which a certificate of title is issued is typically subject to a 3% highway use tax. Pursuant to G.S. 105-187.6, a highway use tax is not imposed when a certificate of title is issued as a result of a transfer of a motor vehicle to a volunteer fire department (department) or volunteer rescue squad (squad) if all of the following apply:

- The department or squad is not part of a unit of local government.
- The department or squad has no more than two paid employees.
- The department or squad is exempt from State income tax under G.S. 105-130.11.
- The motor vehicle is (i) a fire truck, pump truck, tanker truck, or a ladder truck used to suppress fire, (ii) a four-wheel drive vehicle intended to be mounted with a water tank and hose and used for forest fire fighting, or (iii) an emergency services vehicle.

BILL ANALYSIS: House Bill 1019 would broaden the exemption from highway use tax to apply to transfers of all motor vehicles, without limitation as to the specific type of vehicle, to all nonprofit volunteer fire departments and nonprofit volunteer rescue squads regardless of the number of paid employees.

EFFECTIVE DATE: This act would be effective for taxes imposed for taxable years beginning on or after July 1, 2026, and would apply to certificates of title issued on or after that date.

Hannah Kendrick, counsel to House Judiciary 2, substantially contributed to this summary.

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