# GENERAL ASSEMBLY OF NORTH CAROLINA

## Session 2013

## **Legislative Fiscal Note**

**BILL NUMBER**: Senate Bill 266 (First Edition)

**SHORT TITLE**: Increase Regional Transportation Tax Cap.

**SPONSOR(S)**: Senator Parmon

FISCAL IMPACT (\$ in millions)  FY Yes No No Estimate Available  FY 2013-14 FY 2014-15 FY 2015-16 FY 2016-17 FY 2017-  State Impact General Fund Revenues: General Fund Expenditures: Special Fund Expenditures: Special Fund Expenditures: State Positions:  NET STATE IMPACT \$0.0 \$0.0 \$0.0 \$0.0 \$0.0 \$0.0  Local Impact Revenues: 1.9 2.0 2.0 2.1 2.1  Expenditures:  NET LOCAL IMPACT \$1.9 \$2.0 \$2.0 \$2.1 \$2.1  PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Piedmont Authority for Regional Transportation NC Dept. of Revenue  EFFECTIVE DATE: Become effective when law. TECHNICAL CONSIDERATIONS:	SI ONSOR(S).	Schator ran					
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None							

#### **BILL SUMMARY**:

S 266 increases the cap on the gross receipts tax on short-term rental vehicles from 5% to 8% for regional transportation authorities established under G.S. Chapter 160A, Article 27. The only

transportation authority affected would be the Piedmont Authority for Regional Transportation (PART). PART may levy the gross receipts tax subject to initial authorization from county boards of commissioners. The tax is currently collected in Davidson, Davie, Forsyth, Guilford, Stokes, Surry and Yadkin counties. The tax is levied on retailers engaged in the business of short-term lease or rental of U-drive-it vehicles or motorcycles.

#### **ASSUMPTIONS AND METHODOLOGY:**

According to PART, collections from the current 5% gross receipts tax on short-term rentals is approximately \$3.2 million annually, or approximately \$0.64 million for each 1%. Therefore, the increase of 3% would result in additional revenue of approximately \$1.9 million annually. An inflation factor of 3% is assumed for future years.

**SOURCES OF DATA**: Piedmont Authority for Regional Transportation

**TECHNICAL CONSIDERATIONS**: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Rodney Bizzell

**APPROVED BY:** 

Mark Trogdon, Director **Fiscal Research Division** 

**DATE**: April 15, 2013

Official
Fiscal Research Division
Publication

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