

## Gross Receipts

The County/Municipality Board of Commissioners/Town Council has implemented a one and one-half percent (1 ½%) gross receipts tax on rental vehicles effective July 1, 2000. This gross receipts tax is a substitute for the property tax on a short-term leased or rental vehicle. This refers to any rental vehicle (see below), that is offered at retail for short-term leased or rental and is owned or leased by an entity engaged in the business of leasing or renting vehicles to the general public for short-term lease or rental.

### Rental Vehicle is:

- A motor vehicle of the private passenger type, including a passenger van, mini-van, sport utility or recreational vehicle.
- A motor vehicle of the cargo type, including cargo van, pickup truck or truck with a gross vehicle weight of 26,000 pounds or less used predominantly in the transportation of property for other than commercial freight and that does not require the operator to possess a commercial driver's license.
- A trailer or semi-trailer with a gross vehicle weight of 6,000 pounds or less.

### Subject Businesses include, but are not limited to the following:

- Automobile Sales Dealers
- Truck Sales Dealers
- Trailer Sales Dealers
- Automobile Rental Agencies
- Truck Rental Agencies
- Trailer Rental Agencies
- Equipment Rental Agencies
- any other establishment, place of business or enterprise, maintaining facilities, equipment, services, or inventory for the lease or rental of any type or kind of short term lease or rental of a vehicle.

### **Short-Term Lease or Rental**

This applies to a lease or rental that is made under a written agreement to lease or rent property to the same person for a period of less than 365 continuous days ([G.S. 105-187.1](#)).

### **Rental Location Within City Limits**

An additional one and one-half percent (1 ½%) gross receipts tax will be collected from any rental location that is situated within any city limits which also adopts an ordinance to collect this tax. The tax will be charged at the rental location at which the customer takes delivery of the vehicle.

### **General Filing Information**

Retailers must complete a [Rental Vehicle Tax Application](#) to establish an account number for tax reporting purposes. Instruction for [Rental Vehicle Tax](#).