

Article 5J.

**(Effective July 1, 2025) Transportation Commerce Tax.**

**§ 105-187.90. (Effective July 1, 2025) Definitions.**

The following definitions apply to this Article:

- (1) Reserved for future codification purposes.
- (2) Reserved for future codification purposes.
- (3) Exclusive-ride service. – A for-hire ground transport service requested by a passenger who requests exclusive use of the vehicle.
- (4) Reserved for future codification purposes.
- (5) For-hire ground transport service. – Ground transportation in a passenger vehicle provided by a for-hire ground transport service provider for which a passenger is charged a fee.
- (6) For-hire ground transport service provider. – A transportation network company as defined in G.S. 20-280.1 or a taxi service regulated under G.S. 160A-304.
- (7) Reserved for future codification purposes.
- (8) Reserved for future codification purposes.
- (9) Shared for-hire ground transport service. – A for-hire ground transport service for which an individual has been matched with another individual by a for-hire ground transport service provider.
- (10) Reserved for future codification purposes. (2023-134, s. 42.19(a).)

**§ 105-187.91. (Effective July 1, 2025) Tax imposed.**

(a) Levy and Rates. – An excise tax at the rates listed in this subsection is imposed on the gross receipts derived from each for-hire ground transport service if the passenger boards the vehicle in this State and regardless of whether the service is completed. The rates are:

- (1) For an exclusive-ride service, one and one-half percent (1.5%).
- (2) For a shared-ride service, one percent (1%).

(b) Trust Tax. – The tax imposed by this Article is intended to be passed on to and borne by the purchaser of the for-hire ground transport service. The for-hire ground transport service provider, and not the vehicle driver, must collect the tax due. The tax is a debt from the purchaser to the for-hire ground transport service provider until paid and is recoverable at law by the for-hire ground transport service provider in the same manner as other debts. A for-hire ground transport service provider is considered to act as a trustee on behalf of the State when it collects tax from the purchaser on a taxable transaction. The tax must be stated and charged separately on any documentation provided to the purchaser by the for-hire ground transport service provider at the time of the transaction. (2023-134, s. 42.19(a).)

**§ 105-187.92. (Effective July 1, 2025) Registration.**

(a) Requirement and Application. – A for-hire ground transport service provider that is not otherwise registered with the Department pursuant to G.S. 105-164.29 must register with the Department.

(b) Issuance. – A certificate of registration is not assignable and is valid only for the person in whose name it is issued. A copy of the certificate of registration must be displayed at each place of business.

(c) Term. – A certificate of registration is valid unless it is revoked for failure to comply with the provisions of this Article or becomes void. A certificate issued to a person who makes taxable sales or a person liable for tax under this Article becomes void if, for a period of 18 months, the person files no returns or files returns showing no sales.

(d) Revocation. – The failure of a retailer to comply with this Article is grounds for revocation of the person's certificate of registration. Before the Secretary revokes a person's certificate of registration, the Secretary must notify the person that the Secretary proposes to revoke the certificate of registration and that the proposed revocation will become final unless the person objects to the proposed revocation and files a request for a Departmental review within the time set in G.S. 105-241.11 for requesting a Departmental review of a proposed assessment. The notice must be sent in accordance with the methods authorized in G.S. 105-241.20. The procedures in Article 9 of this Chapter for review of a proposed assessment apply to the review of a proposed revocation. (2023-134, s. 42.19(a).)

**§ 105-187.93. (Effective July 1, 2025) Administration.**

Except as otherwise provided in this Article, the tax imposed by this Article shall be collected and administered in the same manner as the State sales and use taxes imposed by Article 5 of this Chapter. The provisions of Article 9 of this Chapter that are not inconsistent with this Article, including administration, auditing, making returns, promulgation of rules and regulations by the Secretary, additional taxes, assessments and assessment procedure, imposition and collection of taxes and the lien thereof, and penalties, are made a part of this Article and shall be applicable thereto. (2023-134, s. 42.19(a).)

**§ 105-187.94. (Effective July 1, 2025) Exemptions and refunds.**

The following provisions apply to this Article:

- (1) The exemptions and refunds allowed in Article 5 of this Chapter do not apply except to sales that the State cannot constitutionally tax.
- (2) The tax imposed by this Article does not apply to for-hire ground transport service provided by a for-hire ground transport service provider as public transportation on behalf of a State agency, a governmental entity listed in G.S. 105-164.14(c), or a local board of education. (2023-134, s. 42.19(a); 2024-1, s. 11.1(a).)

**§ 105-187.95. (Effective July 1, 2025) Use of tax proceeds.**

Each quarter, the Secretary shall credit the net tax proceeds of the taxes collected under this Article to the Highway Fund. The Secretary may retain the cost of administering this Article as reimbursement to the Department. (2023-134, s. 42.19(a).)