

PROPOSED AMENDMENTS TO SENATE BILL NO. 2181

Page 1, line 1, after "Act" insert "to create and enact a new section to chapter 40-57.3 and a new section to chapter 57-39.2 of the North Dakota Century Code, relating to authority of cities to impose motor vehicle rental taxes and a rental company surcharge on motor vehicle rentals;"

Page 1, after line 4, insert:

"SECTION 1. A new section to chapter 40-57.3 of the North Dakota Century Code is created and enacted as follows:

City motor vehicle rental tax - Imposition - Amount - Disposition. The governing body of any city may impose by ordinance a city tax at a rate not to exceed one percent upon the gross receipts from the lease or rental of motor vehicles for fewer than thirty days. Net revenue from a tax imposed under this section must be deposited in the city visitors' promotion fund. Taxes imposed under this section must be collected by the tax commissioner as provided under section 40-57.3-04.

SECTION 2. A new section to chapter 57-39.2 of the North Dakota Century Code is created and enacted as follows:

Surcharge on rental motor vehicles. A rental company engaged in the business of renting motor vehicles for periods of fewer than thirty days may collect a three percent surcharge on each rental contract at the time a vehicle is rented from the company in this state. A vehicle is considered rented in this state if possession is obtained by the renter in this state. The surcharge may be computed on the total dollar amount for the rental as stated in the rental contract, excluding taxes.

1. A surcharge under this section must be noted in the rental contract and collected in accordance with the terms of the contract.
2. On February fifteenth of each year, a rental company that collects surcharges under this section shall file a report with the commissioner stating the total amount of excise taxes paid under chapter 57-40.3 on its rental vehicles for the preceding calendar year and the total amount of rental motor vehicle revenues earned on rentals in this state for the preceding calendar year. All surcharge revenues collected during the calendar year by the rental company in excess of the total amount of excise taxes paid under chapter 57-40.3 during the calendar year by the company on rental motor vehicles must be remitted to the commissioner with the report and considered sales tax collections under this chapter.
3. For three years after filing the report under this section the rental company shall retain copies of rental contracts and the commissioner may require the rental company to furnish copies of rental contracts for purposes of ensuring compliance with this section."

Page 1, line 9, after "exempt" insert "but taxes imposed under home rule authority do not apply to such rentals"

Renumber accordingly