

## **Motor Carrier “Road Use Fee”**

*As included in Section 8 of H.3516, RAT#51, ACT # TBD*

**\*\*EFFECTIVE DATE: JANUARY 2019\*\***

**Beginning in January 2019, property taxes paid on commercial vehicles over 26,000 lbs. will be renamed a “Road Use Fee” and will be combined into the existing registration process for commercial vehicles over 26,000lbs. through the SCDMV. This creates a one stop shop for SC motor carriers for collection of vehicle-related fees.**

**There will be no change in fees for carriers based in South Carolina because the road use fee will be calculated using the existing property tax formula – based on the fair market value and apportioned miles. New revenues will be collected from out of state fleets who will now be subject to the road use fee. These revenues will be dedicated to making improvements on existing interstates.**

**ROAD USE FEES WILL BE TREATED THE SAME WAY REGISTRATION FEES AND CURRENT PRACTICES FOR SC-BASED COMMERCIAL VEHICLES OVER 26,000LBS. ARE CURRENTLY TREATED.**

### **HOW WILL THIS WORK?**

#### **ROAD USE FEE SCHEDULE & PAYMENT**

Road Use Fees are paid in conjunction with a carrier's current registration fee schedule (staggered annual registration dates still apply) and are based on the vehicles in the carrier's fleet that are being registered. Carriers who opt to pay their registration fees and property taxes quarterly can continue to do so by making payments **online** to the SCDMV. However, if a carrier fails to make payments in a timely manner, they lose the option and must remit all fees to the SCDMV at the time of registration.

#### **MAKING CHANGES TO YOUR FLEET – PRORATES/CREDITS**

Just as current registration fees for trucks added to a fleet mid-year are pro-rated, the same will apply to the road use fee. If a carrier gets rid of one truck and purchases another, the tag can be transferred to the new vehicle and SCDMV will make the appropriate prorates/credits. SCDMV will be allowed to prorate and credit road use fees appropriately when a carrier makes a change to their fleet.

## **BILL INCLUDES CLARIFICATION ON LOCALLY-IMPOSED FEES**

### **Trailers Exempted from Local Fees**

The bill includes provisions which clarify that trailers and semitrailers are exempt from any other state or local fees.

### **IRP Vehicles Exempted from Local Fees**

Large commercial vehicles (over 26,000lbs.) registered under the IRP are exempt from any locally imposed "road use fees."

### **Local Business License Fees Must Be Apportioned\***

The provision also includes language to codify that any local business license fees/taxes imposed on a motor carrier's business must be imposed based on the apportioned miles traveled in SC. This has been an issue in some jurisdictions for a long-time for some of our members and this language ensures that locally imposed fees MUST be APPORTIONED beginning in January 2019.

*\*Only municipalities (NOT COUNTIES) where a for-hire carrier maintains its principle place of business may impose a business license fee on a for-hire carrier. Going forward, that tax/fee must be apportioned (like IRP miles) on SC revenues.*

**\*\*ALL PROVISIONS RELATED TO LOCALLY-IMPOSED FEES ALSO HAVE AN EFFECTIVE DATE OF JANUARY 2019. \*\***