

NCDOR

NORTH
CAROLINA
DEPARTMENT
OF REVENUE



NORTH CAROLINA DIVISION OF MOTOR VEHICLES **LEASING AGREEMENTS**

NCDOR EXCISE TAX DIVISION | MOTOR CARRIER SEMINARS

TOPICS OF DISCUSSION

- I. Leasing Requirements**
- II. Lease Agreements**
- III. Leasing Motor Carrier Authority**
- IV. Identification Number**

LEASING REQUIREMENTS

WHAT ARE THEY?

LEASE AGREEMENTS	LEASING MOTOR CARRIER AUTHORITY	IDENTIFICATION
<ul style="list-style-type: none"> ✓ Agreement must be written in the <i>Registrant's Name</i>. ✓ Agreement must be written by the Company from whom the Registrant is leasing <i>Motor Carrier Authority</i>. 	<ul style="list-style-type: none"> ✓ Agreement must have the Vehicle Description, including the <i>Vehicle Identification Number (VIN)</i>. 	<ul style="list-style-type: none"> ✓ Agreement must be signed by the <i>Lessee</i> and the <i>Lessor</i>. ✓ Agreement must show the <i>USDOT Number</i>.

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ANY QUESTIONS?



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TOPICS OF DISCUSSION

- I. Purpose of Lease Agreements for NCDOR**
- II. Who Must Submit Lease Agreements**
- III. Information Required in Lease Agreements**



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LEASING AGREEMENTS **PURPOSE FOR NCDOR**

**For North Carolina Department of Revenue specifically –
A Lease Agreement designates whether the *Lessor* or the
Lessee is the ‘*Motor Carrier*’ for the Qualified Motor Vehicle,
and thus responsible for filing IFTA Quarterly Tax Returns,
remitting tax, and maintaining records.**

LEASING AGREEMENTS **WHO MUST SUBMIT THEM?**

To ensure it is *clear* who is responsible for filing IFTA Quarterly Tax Returns, remitting tax, and maintaining records –

NCDOR requests Applicants and Licensees to submit a Lease Agreement to NCDOR when a Qualified Motor Vehicle is leased.

- ✓ Failure to provide the Lease Agreement may result in NCDOR denying your Application.
- ✓ Cautionary Note – If an Independent Contractor leases a Qualified Motor Vehicle for *fewer than 30 days*, the Lessor will always be responsible for filing returns and remitting tax regardless of *any* agreement.



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INFORMATION REQUIRED IN LEASE AGREEMENTS

- A Lease Agreement is a *written* and *signed* Contract between two Parties: the Lessor and Lessee
- The Contract has to include:
 - ✓ Who is responsible for filing the IFTA Tax Returns & Paying Tax.
 - ✓ The vehicle description, including the Vehicle Identification Number (VIN).
 - ✓ Who can Request the IFTA/Intrastate License & Decals.
- If the **Original** Lease Agreement omits any of the above information – an Applicant or Licensee may complete an Addendum to the Lease Agreement to capture this information. Note that the Addendum must be written and signed by the Lessor *and* Lessee.

LEASE AGREEMENT ADDENDUM

Test Case (Company Name) will be responsible for filing and paying all highway fuel taxes, fees, permits, and fines that will be required by the North Carolina Department of Revenue. If the responsible party hires a second party to report taxes to the State of North Carolina; it **will not** change the responsibility of the taxpayer to ensure all filings and taxes are submitted to the Department.

LESSOR: (signature) Case Date: 05/11/25
LESSOR: (print) Case
LESSEE: (signature) Test Case Date: 05/11/25
LESSEE: (print) Test Case

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