



## SESSION LAW 2020-3 (SB704/COVID-19) TAG & TAX INFORMATION

Senate Bill 704 was signed into law on May 4, 2020. The new law gives NCDMV the ability to extend the validity of vehicle registrations five months for any credential that expires March 1, 2020, through August 1, 2020. Further, it gives NCDMV the authority to waive penalties and interest for this time period.

Below are frequently asked questions that will aid county tax offices in providing assistance to citizens concerning vehicle property taxes for the renewal months affected.

**Q: Are citizens still required to have their vehicle inspected prior to renewal?**

**A:** Yes. A valid inspection will be required before a renewal can be processed.

**Q: What renewal months are affected by the new law?**

**A:** The new law covers renewals from March through July. (Note: All renewals expire at midnight on the last day of the month. February registrations expire the last day of February, not March 1. Therefore, they are excluded.)

**Q: If a citizen's registration renewal is extended, will their renewal month change?**

**A:** No, the renewal month will not be changed. If the registration expired in March 2020, the citizen will have to renew again in March 2021.

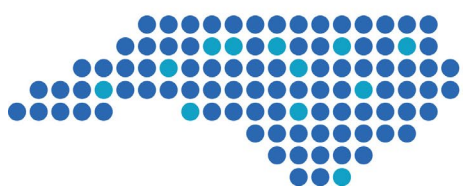
**Q: Will the appeal process be extended for the affected registration months?**

**A:** Yes. The extended expiration date will be used to determine the deadline to appeal for the affected months. The dates are indicated in the upcoming chart.

**Q: What are the new extension dates for the months affected?**

**A:** The new dates are as follows.

Current Expiration Date	Extended Expiration Date	DMV Late Fee Penalties Begin	Interest Begins	Appeal Deadline	Next Renewal
03/31/2020	08/31/2020	09/01/2020	09/16/2020	10/15/2020	March 2021
04/30/2020	09/30/2020	10/01/2020	10/16/2020	11/14/2020	April 2021



**NCDOR**

**NORTH  
CAROLINA  
DEPARTMENT  
OF REVENUE**

Current Expiration Date	Extended Expiration Date	Penalties Begin	Interest Begins	Appeal Deadline	Next Renewal
05/31/2020	10/31/2020	11/01/2020	11/16/2020	12/15/2020	May 2021
06/30/2020	11/30/2020	12/01/2020	12/16/2020	01/14/2021	June 2021
07/31/2020	12/31/2020	01/01/2021	01/16/2021	02/14/2021	July 2021

**Q: Will this change create a large number of gap billings?**

**A:** No. The new law does not change the expiration date, only extends it. Gaps should not be created for the renewal months covered by the order. License plate agencies (LPAs) have been instructed not to change the expiration date of the renewal, as it will create additional tax liability for the citizen and that is not the intent of the legislation. However, there may be scenarios outside of the order that create registration gap billings.

**Q: Will limited registration plates (LRPs) be affected by this change?**

**A:** Yes. Any LRPs that expire and accrue interest during the months covered by the order will have interest waived. This will begin with LRPs that expire in March 2020.

**Q: If the citizen has a March renewal and they renew on September 16, how many months of interest will be charged?**

**A:** The citizen will be charged one month of interest. Interest will accrue based on the extended registration expiration date.

**Q: If a citizen has a renewal or LRP that falls within the months covered by the order, will they receive a refund for the penalties and/or interest if they have already paid?**

**A:** Yes. NCDMV will identify those citizens and issue a refund.

**Q: A citizen mailed their payment in, but the check has not been cashed. What should they do?**

**A:** The citizen should wait for the registration to be updated and the check to clear. The NCDMV headquarters was in the process of relocating. This, paired with COVID-19, has caused a staff shortage and processing delays.



**Q: A citizen mailed their payment in. As it had not been processed, they renewed online paying interest and penalties. What should they do?**

**A:** NCDMV will process a refund for the mailed payment when verifying the registration was renewed online. They will also send a separate refund for any penalties and interest paid if the renewal falls within the affected months under the order.

**Q: If a citizen's renewal falls within the months covered by the order, and elects to renew during the extended period, how long will the registration be good for?**

**A:** The citizen's registration will be due for renewal the same month as it was this year. The registration expiration month should not be changed. If the citizen has a March 31, 2020, expiration date and pays the renewal in July, the new registration will expire March 31, 2021.

**Q: What options are currently available for a citizen to renew their registration?**

**A:** After passing the required annual vehicle inspection, the citizen may renew their registration by mail, at a license plate agency, or online at the following website.

<https://www.ncdot.gov/dmv/offices-services/online/Pages/my-ncdmv-registration-renewal.aspx>

**Q: There is interest showing in NCVTS on some of the renewals covered by the new law. Will this be removed when the citizen renews their registration?**

**A:** Yes. The citizen will only owe the principal amount of tax due when they attempt to renew.

**Q: Will law enforcement be notified of the extended registration dates?**

**A:** Yes. NC law enforcement is aware of the new legislation and extended registration dates. Their software systems have been updated to reflect the new dates. However, it is recommended that the citizen renew their registration prior to travelling out of state, as it will be difficult to notify law enforcement nationally.

**Q: Do citizens need to wait until they are in the 90 day window of the extended registration date to have their vehicle inspected?**

**A:** No. Citizens who are currently eligible to renew do not have to wait and may have their vehicle inspected and renew at any time.