

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1314

Short Title: Adjust Gas Tax Formula.

(Public)

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Sponsors: Representative Crawford.

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Referred to: Finance.

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April 22, 1999

A BILL TO BE ENTITLED

AN ACT TO ADJUST THE GAS TAX RATE FORMULA.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-449.80(a) reads as rewritten:

"(a) Rate. – The motor fuel excise tax rate is a flat rate of seventeen and one-half cents (17 1/2¢) a gallon plus a variable wholesale component. The variable wholesale component is either ~~three and one-half cents (3 1/2¢)~~ five and one-half cents (5 1/2¢) a gallon or seven percent (7%) of the average wholesale price of motor fuel for the applicable base period, whichever is greater.

The two base periods are six-month periods; one ends on September 30 and one ends on March 31. The Secretary must set the tax rate twice a year based on the wholesale price for each base period. A tax rate set by the Secretary using information for the base period that ends on September 30 applies to the six-month period that begins the following January 1. A tax rate set by the Secretary using information for the base period that ends on March 31 applies to the six-month period that begins the following July 1."

Section 2. G.S. 105-449.38 reads as rewritten:

**"§ 105-449.38. Tax levied.**

A road tax for the privilege of using the streets and highways of this State is imposed upon every motor carrier on the amount of motor fuel or alternative fuel used by the carrier in its operations within this State. The tax shall be at the rate established by the

1 Secretary pursuant to G.S. 105-449.80 or G.S. ~~105-449.134~~, 105-449.136, as appropriate.  
2 This tax is in addition to any other taxes imposed on motor carriers."

3           Section 3. Every distributor and bulk-end user who has motor fuel that is on  
4 hand or in their possession as of 12:01 a.m. on July 1, 1999, and is not in the terminal  
5 transfer system must inventory the motor fuel and report the results of the inventory to  
6 the Secretary of Revenue. When filing the report, the taxpayer must remit to the  
7 Secretary of Revenue an additional tax on the motor fuel equal to the increase in the tax  
8 rate provided by this act effective July 1, 1999. The report of inventory must be made on  
9 a form provided by the Secretary. The report is due by July 15, 1999.

10           Section 4. This act becomes effective July 1, 1999.