

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 883

Short Title: Gas Tax for Transportation Needs.

(Public)

Sponsors: Senators Gulley; Lucas, Miller, and Reeves.

Referred to: Finance.

April 13, 1999

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE GAS TAX TO PROVIDE FUNDS FOR
TRANSPORTATION NEEDS.

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¢)~~ twenty-two and one-half cents (22 1/2¢) a gallon plus a variable wholesale component. The variable wholesale component is either three and one-half cents (3 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. 105-449.125 reads as rewritten:

"PART 7. USE OF REVENUE.

"§ 105-449.125. Distribution of tax revenue among various funds and accounts.

(a) Half-Cent Allocation. – The Secretary shall allocate the amount of revenue collected under this Article from an excise tax of one-half cent (1/2¢) a gallon to the following funds and accounts in the fraction indicated:

| <u>Fund or Account</u> | <u>Amount</u> |
|--|--------------------------------|
| Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund | Nineteen thirty- seconds |
| Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund | Three thirty- seconds |
| Water and Air Quality Account | Five- sixteenths. |

(b) Five Cents Allocation. – The Secretary shall allocate the amount of revenue collected under this Article from an excise tax of five cents a gallon for the following purposes in the percentage indicated:

| <u>Fund or Account</u> | <u>Amount</u> |
|--|---------------|
| <u>Highway Trust Fund for New Construction</u> | <u>60%</u> |
| <u>Highway Fund for Highway Maintenance</u> | <u>20%</u> |
| <u>Highway Fund for Public Transportation</u> | <u>20%</u> |

(c) Remainder. – The Secretary shall allocate seventy-five percent (75%) of the remaining excise tax revenue collected under this Article to the Highway Fund and shall allocate twenty-five percent (25%) to the Highway Trust Fund.

(d) Refunds. – The Secretary shall charge a proportionate share of a refund allowed under this Article to each fund or account to which revenue collected under this Article is credited. The Secretary shall credit revenue or charge refunds to the appropriate funds or accounts on a monthly basis."

Section 3. 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 Secretary pursuant to G.S. 105-449.80 or G.S. ~~105-449.134, 105-449.136,~~ as appropriate. This tax is in addition to any other taxes imposed on motor carriers."

Section 4. Every distributor and bulk-end user who has motor fuel that is on hand or in their possession as of 12:01 a.m. on July 1, 1999, and is not in the terminal transfer system must inventory the motor fuel and report the results of the inventory to the Secretary of Revenue. When filing the report, the taxpayer must remit to the Secretary of Revenue an additional tax on the motor fuel equal to five cents (5¢) a gallon.

- 1 The report of inventory must be made on a form provided by the Secretary. The report is
2 due by July 15, 1999.
- 3 Section 5. This act becomes effective July 1, 1999. Section 2 of this act
4 applies to revenues collected from taxes paid on or after July 1, 1999.