GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2005

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HOUSE BILL 1296*

	Short Title:	Renewa	ble Fuels Motor Fuels Tax Exemption.	(Public)	
	Sponsors: Representatives Hackney; Alexander, Fisher, Insko, and Weiss.				
	Referred to: Finance.				
	April 20, 2005				
1			A BILL TO BE ENTITLED		
2	AN ACT T	O EXEM	PT BIODIESEL, FUEL ALCOHOL, AND GAS	OHOL FROM	
3	STATE MOTOR FUEL EXCISE TAX TO HELP REDUCE DEPENDENCE ON				
4	IMPORTED PETROLEUM AND IMPROVE AIR QUALITY.				
5	The General Assembly of North Carolina enacts:				
6	SECTION 1. G.S. 105-449.60(7) reads as rewritten:				
7	"(7) Dies	el fuel. – Any liquid, other than gasoline, that is suit	table for use as	
8		a fu	el in a diesel-powered highway vehicle. The	term includes	
9		biod	esel, fuel oil, heating oil, high-sulfur dyed die	esel fuel, and	
10		kero	sene. The term does not include jet fuel sold to a	buyer who is	
11		certi	fied to purchase jet fuel under the Code.Code or bio	<u>diesel.</u> "	
12	SECTION 2. G.S. 105-449.60(15) reads as rewritten:				
13	"(15) Gase	line. – Any of the following:		
14		a.	All products that are commonly or commercially	known or sold	
15			as gasoline and are suitable for use as a fuel	in a highway	
16			vehicle, other than products that have an Americ	an Society for	
17			Testing Materials octane number of less than 75	as determined	
18			by the motor method.		
19		b.	A petroleum product component of gasoline, su	uch as naptha,	
20			reformate, or toluene.		
21		c.	Gasohol.		
22		d.	Fuel alcohol.		
23		The	term does not include aviation gasoline sold for use	e in an aircraft	
24		mote	r. motor, gasohol, or fuel alcohol. 'Aviation gasoli	ne' is gasoline	
25			is designed for use in an aircraft motor and is not a	dapted for use	
26		in an	ordinary highway vehicle."		
27	SI	ECTION	3. G.S. 105-449.81(3a) is repealed.		
28	SECTION 4. G.S. 105-449.83A is repealed.				
29	SI	ECTION	5. G.S. 105-449.88 reads as rewritten:		

1	"§ 105-449.88.	Exemptions from the excise tax.			
2	The excise tax on motor fuel does not apply to the following:				
3	(1)	Motor fuel removed, by transport truck or another means of transfer			
4		outside the terminal transfer system, from a terminal for export, if the			
5		motor fuel is removed by a licensed distributor or a licensed exporter			
6		and the supplier of the motor fuel collects tax on it at the rate of the			
7		motor fuel's destination state.			
8	(1a)	Motor fuel removed by transport truck from a terminal for export if the			
9		motor fuel is removed by a licensed distributor or licensed exporter,			
10		the supplier that is the position holder for the motor fuel sells the			
11		motor fuel to another supplier as the motor fuel crosses the terminal			
12		rack, the purchasing supplier or its customer receives the motor fuel at			
13		the terminal rack for export, and the supplier that is the position holder			
14		collects tax on the motor fuel at the rate of the motor fuel's destination			
15		state.			
16	(2)	Motor fuel sold to the federal government for its use.			
17	(3)	Motor fuel sold to the State for its use.			
18	(4)	Motor fuel sold to a local board of education for use in the public			
19		school system.			
20	(5)	Diesel that is kerosene and is sold to an airport.			
21	(6)	Motor fuel sold to a charter school for use for charter school purposes.			
22	(7)	Motor fuel sold to a community college for use for community college			
23		purposes.			
24	(8)	Motor fuel sold to a county or a municipal corporation for its use.			
25	<u>(9)</u>	Biodiesel, fuel alcohol, and gasohol."			
26	SECTION 5. The Department of Revenue shall report to the Revenue Laws				
27	Study Committee on an annual basis the fiscal impact of the tax exemption for				
28	biodiesel, fuel alcohol, and gasohol.				
29	SECT	FION 6. This act becomes effective July 1, 2005.			