

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 1422

Short Title: Freeze Motor Fuels Tax.

(Public)

Sponsors: Senators Hoyle and Rand.

Referred to: Finance.

May 28, 2004

A BILL TO BE ENTITLED

1 AN ACT TO FREEZE THE VARIABLE WHOLESALE COMPONENT OF THE
2 MOTOR FUELS TAX RATE AT ITS CURRENT RATE FOR A PERIOD OF ONE
3 YEAR.
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-449.80(a) reads as rewritten:

7 "(a) Rate. – The motor fuel excise tax rate is a flat rate of seventeen and one-half
8 cents (17 1/2¢) a gallon plus a variable wholesale component. The variable wholesale
9 component is either three and one-half cents (3 1/2¢) a gallon or seven percent (7%) of
10 the average wholesale price of motor fuel for the applicable base period, whichever is
11 greater. In no case may the variable wholesale component be greater than six and
12 eight-tenths cents (6.8¢) a gallon.

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

20 **SECTION 2.** This act is effective when it becomes law and applies to rates
21 set on or after that date. This act is repealed effective June 1, 2005, for rates set on or
22 after that date.