

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS75340-MA-94 (2/5)

Short Title: Repeal Sunset on Gas Tax Cap.

(Public)

Sponsors: Senator Berger of Rockingham.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO CREATE A TEN CENT PER GALLON CAP ON THE VARIABLE WHOLESALE COMPONENT OF THE MOTOR FUELS TAX, TO REPEAL THE SUNSET FOR THE CAP ON THE VARIABLE WHOLESALE COMPONENT OF THE MOTOR FUELS EXCISE TAX RATE SET AT TWELVE AND FOUR-TENTHS CENTS PER GALLON, EFFECTIVE UNTIL JUNE 30, 2007, AND TO REPEAL THE TRANSFER OF FUNDS FROM THE HIGHWAY TRUST FUND TO THE GENERAL FUND.

The General Assembly of North Carolina enacts:

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

"§ 105-449.80. Tax rate.

(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¢) a gallon or seven percent (7%) of the average wholesale price of motor fuel for the applicable base period, whichever is greater. However, at no time shall the variable wholesale component of the motor fuel excise tax exceed ten cents (10¢) per gallon.

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.

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SECTION 2. Sections 2.2(g) and 24.3 of S.L. 2006-66 are repealed.

SECTION 3. G.S. 105-187.9(b) is repealed.

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SECTION 4. This act is effective when it becomes law.