

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1321

Short Title: Repeal Sunset on Gas Tax Cap.

(Public)

Sponsors: Senators Berger of Rockingham; and Stevens.

Referred to: Finance.

March 26, 2007

A BILL TO BE ENTITLED

1 AN ACT TO CREATE A TEN CENT PER GALLON CAP ON THE VARIABLE
2 WHOLESALE COMPONENT OF THE MOTOR FUELS TAX, TO REPEAL THE
3 SUNSET FOR THE CAP ON THE VARIABLE WHOLESALE COMPONENT OF
4 THE MOTOR FUELS EXCISE TAX RATE SET AT TWELVE AND
5 FOUR-TENTHS CENTS PER GALLON, EFFECTIVE UNTIL JUNE 30, 2007,
6 AND TO REPEAL THE TRANSFER OF FUNDS FROM THE HIGHWAY
7 TRUST FUND TO THE GENERAL FUND.
8

9 The General Assembly of North Carolina enacts:

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

11 "**§ 105-449.80. Tax rate.**

12 (a) Rate. – The motor fuel excise tax rate is a flat rate of seventeen and one-half
13 cents (17 1/2¢) a gallon plus a variable wholesale component. The variable wholesale
14 component is either three and one-half cents (3 1/2¢) a gallon or seven percent (7%) of
15 the average wholesale price of motor fuel for the applicable base period, whichever is
16 greater. However, at no time shall the variable wholesale component of the motor fuel
17 excise tax exceed ten cents (10¢) per gallon.

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

25"

26 **SECTION 2.** Sections 2.2(g) and 24.3 of S.L. 2006-66 are repealed.

27 **SECTION 3.** G.S. 105-187.9(b) is repealed.

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