

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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HOUSE BILL 399

Short Title: Cap Motor Fuel Excise Tax Rate. (Public)

Sponsors: Representatives McElraft, Killian, Hager, and Stone (Primary Sponsors).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Finance.

March 21, 2011

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A STATUTORY CAP FOR THE MOTOR FUEL EXCISE TAX RATE.

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¢) 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~~, greater, but subject to a maximum of fifteen cents (15¢) 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."

SECTION 2. This act becomes effective July 1, 2011, and applies to taxes imposed on or after that date.

