

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS35243-LY-191 (03/01)

Short Title: Excise Tax Reduction for Biodiesel. (Public)

Sponsors: Senator Snow.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE EXCISE TAX ON BIODIESEL TO HELP REDUCE
DEPENDENCE ON IMPORTED PETROLEUM AND IMPROVE AIR QUALITY.

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 for motor fuels other than biodiesel is a flat rate of seventeen and one-half cents (17 1/2¢) a gallon plus a variable wholesale component. The biodiesel excise tax rate is a flat rate of thirteen and one-half cents (13 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.

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 is effective when it becomes law and applies to rates that become effective on or after that date.