

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1661

Short Title: Cap Gas Tax Variable Rate. (Public)

Sponsors: Representatives Decker, Pate (Primary Sponsors); Frye, Goodwin, Hill, Justice, LaRoque, McGee, McHenry, Moore, Munford, and Warner.

Referred to: Finance.

May 26, 2004

A BILL TO BE ENTITLED

1 AN ACT TO CAP THE VARIABLE WHOLESALE COMPONENT OF THE MOTOR
2 FUELS TAX RATE AT ITS CURRENT RATE.
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4 The General Assembly of North Carolina enacts:

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

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

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

19 **SECTION 2.** This act is effective when it becomes law and applies to rates
20 set on or after that date.