

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE BILL 587

Short Title: Waive 1/3 Military Base Gas Tax. (Public)

Sponsors: Senators Thomas, Brown; Forrester, Garwood, Smith, Swindell, and Tillman.

Referred to: Finance.

March 16, 2005

A BILL TO BE ENTITLED

AN ACT TO WAIVE AN AMOUNT EQUAL TO ONE-THIRD OF THE FUEL TAX COLLECTED ON MILITARY INSTALLATIONS EACH YEAR TO ENABLE THE ARMED FORCES TO IMPROVE QUALITY-OF-LIFE PROGRAMS FOR MILITARY MEMBERS AND THEIR FAMILIES IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

**"§ 136-41.9. Appropriation for military installations.**

There is annually appropriated from the State Highway Fund to the United States Department of Defense a sum equal to the estimated net amount after refunds that was produced during the preceding fiscal year by a nine-cent (9¢) tax on each gallon of motor fuel and alternative fuel taxed under Article 36C or 36D of Chapter 105 of the General Statutes and sold within a military installation. The Department of Defense shall use these funds only for community services and other expenditures to improve quality-of-life programs for military members and their families in North Carolina."

**SECTION 2.** G.S. 105-449.62 reads as rewritten:

**"§ 105-449.62. Nature of tax.**

This Article imposes a tax on motor fuel to provide revenue for the State's transportation ~~needs and~~ needs, for the other purposes listed in Part 7 of this ~~Article~~ Article, and for the purposes provided in G.S. 136-41.9. The tax is collected from the supplier or importer of the fuel because this method is the most efficient way to collect the tax. The tax is designed, however, to be paid ultimately by the person who consumes the fuel. The tax becomes a part of the cost of the fuel and is consequently paid by those who subsequently purchase and consume the fuel."

**SECTION 3.** This act becomes effective July 1, 2006.