

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**SENATE BILL 1278**

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

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Sponsors: Senators Berger; Allran, Apodaca, Bingham, Blake, Brock, Carpenter, Forrester, Foxx, Garwood, Hartsell, Horton, Moore, Pittenger, Sloan, Smith, Stevens, Tillman, Webster, and White.

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Referred to: Finance.

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May 24, 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.