

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE DRH50517-MA-125 (4/19)

Short Title: Cap Variable Rate of Gasoline Excise Tax. (Public)

Sponsors: Representatives Kiser, Justus, and Howard (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

1
2 AN ACT TO STABILIZE THE MOTOR FUEL TAX BY IMPOSING A CAP ON
3 THE VARIABLE WHOLESALE COMPONENT OF THE MOTOR FUEL TAX
4 RATE AT ITS RATE FOR THE LATTER HALF OF 2005.

5 The General Assembly of North Carolina enacts:

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

7 "(a) Rate. – The motor fuel excise tax rate is a flat rate of seventeen and one-half
8 cents (17 1/2¢) a gallon plus a variable wholesale component. The variable wholesale
9 component is either three and one-half cents (3 1/2¢) a gallon or seven percent (7%) of
10 the average wholesale price of motor fuel for the applicable base period, whichever is
11 greater. In no case may the variable wholesale component be greater than nine and
12 six-tenths cents (9.6¢) a gallon.

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

20 **SECTION 2.** This act becomes effective July 1, 2006.