

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013**

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SENATE BILL 414

Short Title: Convert Air Carrier Fuel Refund to Exemption. (Public)

Sponsors: Senators Hartsell (Primary Sponsor); and Jenkins.

Referred to: Rules and Operations of the Senate.

March 26, 2013

A BILL TO BE ENTITLED
AN ACT TO CONVERT THE SALES TAX REFUND FOR CERTAIN FUEL PURCHASES
OF AN INTERSTATE PASSENGER AIR CARRIER INTO A SALES TAX
EXEMPTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.14A(a)(1) reads as rewritten:

"(a) Refund. – The following taxpayers are allowed an annual refund of sales and use taxes paid under this Article:

- (1) Passenger air carrier. – An interstate passenger air carrier is allowed a refund of the sales and use tax paid by it on fuel in excess of two million five hundred thousand dollars (\$2,500,000). The amount of sales and use tax paid does not include a refund allowed to the interstate passenger air carrier under G.S. 105-164.14(a). This subdivision is repealed for purchases made on or after ~~January 1, 2014~~ July 1, 2013."

SECTION 2. G.S. 105-164.13 is amended by adding a new subdivision to read:

"§ 105-164.13. Retail sales and use tax.

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

...

Motor Fuels Group.

- (10a) Sales of the following to a major recycling facility:
- a. Lubricants and other additives for motor vehicles or machinery and equipment used at the facility.
 - b. Materials, supplies, parts, and accessories, other than machinery and equipment, that are not capitalized by the taxpayer and are used or consumed in the manufacturing and material handling processes at the facility.
 - c. Electricity used at the facility.
- (10b) Recodified as G.S. 105-164.13(10a)c. by Session Laws 2005-276, s. 33.9, effective January 1, 2006.
- (11) Any of the following fuel:
- a. Motor fuel, as taxed in Article 36C of this Chapter, except motor fuel for which a refund of the per gallon excise tax is allowed under G.S. 105-449.105A or G.S. 105-449.107.



- 1 b. Alternative fuel taxed under Article 36D of this Chapter, unless a
- 2 refund of that tax is allowed under G.S. 105-449.107.
- 3 (11a) Sales of diesel fuel to railroad companies for use in rolling stock other than
- 4 motor vehicles. The definitions in G.S. 105-333 apply in this subdivision.
- 5 (11b) Sales of fuel to interstate passenger air carriers.
- 6 "
- 7 **SECTION 3.** This act becomes effective July 1, 2013, and applies to sales made on
- 8 or after that date.