

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 1201

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

Sponsors: Senators Hoyle; Albertson, Atwater, Berger of Franklin, Bland, Boseman, Cowell, Dalton, Dannelly, Dorsett, Garrou, Jenkins, Kerr, Malone, Purcell, Rand, Shaw, Soles, Swindell, and Weinstein.

Referred to: Finance.

May 10, 2006

A BILL TO BE ENTITLED

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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 CURRENT RATE.

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. The variable wholesale component may not exceed twelve and four-tenths cents
12 (12.4¢) 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 is effective when it becomes law.