

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1272
House Committee Substitute Favorable 7/27/07
House Committee Substitute #2 Favorable 7/31/07

Short Title: Motor Fuel Tax Exemption for Biodiesel.

(Public)

Sponsors:

Referred to:

March 26, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT BIODIESEL THAT IS PRODUCED BY AN INDIVIDUAL
3 FOR PERSONAL USE IN A PRIVATE PASSENGER VEHICLE FROM THE
4 MOTOR FUEL EXCISE TAX.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 105-449.88 is amended by adding a new subdivision to
7 read:

8 "§ 105-449.88. Exemptions from the excise tax.

9 The excise tax on motor fuel does not apply to the following:

- 10 (1) Motor fuel removed, by transport truck or another means of transfer
11 outside the terminal transfer system, from a terminal for export, if the
12 motor fuel is removed by a licensed distributor or a licensed exporter
13 and the supplier of the motor fuel collects tax on it at the rate of the
14 motor fuel's destination state.
- 15 (1a) Motor fuel removed by transport truck from a terminal for export if the
16 motor fuel is removed by a licensed distributor or licensed exporter,
17 the supplier that is the position holder for the motor fuel sells the
18 motor fuel to another supplier as the motor fuel crosses the terminal
19 rack, the purchasing supplier or its customer receives the motor fuel at
20 the terminal rack for export, and the supplier that is the position holder
21 collects tax on the motor fuel at the rate of the motor fuel's destination
22 state.
- 23 (2) Motor fuel sold to the federal government for its use.
- 24 (3) Motor fuel sold to the State for its use.
- 25 (4) Motor fuel sold to a local board of education for use in the public
26 school system.
- 27 (5) Diesel that is kerosene and is sold to an airport.
- 28 (6) Motor fuel sold to a charter school for use for charter school purposes.

- 1 (7) Motor fuel sold to a community college for use for community college
2 purposes.
3 (8) Motor fuel sold to a county or a municipal corporation for its use.
4 (9) Biodiesel that is produced by an individual for use in a private
5 passenger vehicle registered in that individual's name pursuant to
6 Chapter 20 of the General Statutes. For the purposes of this
7 subdivision, the term 'private passenger vehicle' has the same meaning
8 as in G.S. 20-4.01."

9 **SECTION 2.** This act becomes effective October 1, 2007.