

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

H.B. 520  
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HOUSE PRINCIPAL CLERK

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HOUSE DRH30263-MC-170A (03/27)

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

Sponsors: Representatives Jeter and W. Brawley (Primary Sponsors).

Referred to:

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

5 The General Assembly of North Carolina enacts:

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

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

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 This subdivision is repealed for purchases made on or  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

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

16 **"§ 105-164.13. Retail sales and use tax.**

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

20 ...

21 **Motor Fuels Group.**

22 (10a) Sales of the following to a major recycling facility:

- 23 a. Lubricants and other additives for motor vehicles or machinery and  
24 equipment used at the facility.  
25 b. Materials, supplies, parts, and accessories, other than machinery and  
26 equipment, that are not capitalized by the taxpayer and are used or  
27 consumed in the manufacturing and material handling processes at  
28 the facility.  
29 c. Electricity used at the facility.

30 (10b) Recodified as G.S. 105-164.13(10a)c. by Session Laws 2005-276, s. 33.9,  
31 effective January 1, 2006.

32 (11) Any of the following fuel:

- 33 a. Motor fuel, as taxed in Article 36C of this Chapter, except motor fuel  
34 for which a refund of the per gallon excise tax is allowed under  
35 G.S. 105-449.105A or G.S. 105-449.107.



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- 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.