

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H

1

HOUSE BILL 520

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

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

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Finance.

April 4, 2013

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 This subdivision is repealed for purchases made on or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.



- 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.