

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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HOUSE BILL 637

Short Title: Modify Fuel Tax Formula.

(Public)

Sponsors: Representative Crawford.

Referred to: Finance.

March 15, 2001

A BILL TO BE ENTITLED

AN ACT TO ADJUST THE FORMULA FOR CALCULATING THE MOTOR FUEL
EXCISE TAX RATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-449.80(a) reads as rewritten:

"(a) Rate. – The motor fuel excise tax rate is a flat rate of seventeen and one-half cents (17 1/2¢) a gallon plus a variable wholesale component. The variable wholesale component is either ~~three-five~~ five and one-half cents (~~3 1/2¢~~) (5 1/2¢) a gallon or seven percent (7%) of the average wholesale price of motor fuel for the applicable base period, whichever is greater.

The two base periods are six-month periods; one ends on September 30 and one ends on March 31. The Secretary must set the tax rate twice a year based on the wholesale price for each base period. A tax rate set by the Secretary using information for the base period that ends on September 30 applies to the six-month period that begins the following January 1. A tax rate set by the Secretary using information for the base period that ends on March 31 applies to the six-month period that begins the following July 1."

SECTION 2. This act becomes effective July 1, 2001.