

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**HOUSE BILL 1802**

Short Title: Reduce Motor Fuels Tax. (Public)

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Sponsors: Representatives Allred, Pate, Brown, Hilton (Primary Sponsors); Almond, Barnhart, Blust, Capps, Clary, Cleveland, Culp, Current, Daughtry, Dollar, Frye, Gillespie, Grady, Gulley, Hollo, Holloway, Holmes, Howard, Justice, Kiser, Langdon, LaRoque, Lewis, McGee, Moore, Preston, Ray, Rayfield, Setzer, Sherrill, Stam, Starnes, Steen, Stiller, Walend, Walker, Wiley, and Wilson.

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Referred to: Finance.

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May 9, 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 RATE FOR THE LATTER HALF OF 2004.

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. In no case may the variable wholesale component be greater than seven and  
12 one-tenths cents (7.1¢) 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 becomes effective January 1, 2006.