

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE DRH30334-SYx-19 (04/14)

Short Title: Adjust Motor Fuel Inspection Tax.

(Public)

Sponsors: Representative Gibson.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE GASOLINE AND OIL INSPECTION TAX IN ORDER TO PROVIDE ADEQUATE FUNDS TO CLEAN UP DISCHARGES OF PETROLEUM FROM LEAKING PETROLEUM UNDERGROUND STORAGE TANKS IN ORDER TO PROTECT PROPERTY VALUES, ENSURE TIMELY REIMBURSEMENT OF PERSONS WHO ENGAGE IN CLEANUPS, AND PROTECT GROUNDWATER.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 119-18 reads as rewritten:

"§ 119-18. Inspection tax and distribution of the tax proceeds.

(a) Tax. – An inspection tax of ~~one-fourth~~ three-fourths of one cent (~~1/4~~3/4 of 1¢) per gallon is levied upon all of the following fuel, regardless of whether the fuel is exempt from the per-gallon excise tax imposed by Article 36C or 36D of Chapter 105 of the General Statutes:

- (1) Motor fuel that is not dyed diesel fuel.
- (2) Dyed diesel fuel used to operate a highway vehicle.
- (3) Alternative fuel used to operate a highway vehicle.
- (4) Kerosene.

The inspection tax on motor fuel is due and payable to the Secretary of Revenue at the same time that the per gallon excise tax on motor fuel is due and payable under Article 36C of Chapter 105 of the General Statutes. The inspection tax on alternative fuel is due and payable to the Secretary of Revenue at the same time that the excise tax on alternative fuel is due and payable under Article 36D of Chapter 105 of the General Statutes. The inspection tax on kerosene is payable monthly to the Secretary by a supplier that is licensed under Part 2 of Article 36C of Chapter 105 of the General Statutes and by a kerosene supplier. A monthly report is due by the 22nd of each month

1 and applies to kerosene sold during the preceding month by a supplier licensed under
2 that Part and to kerosene received during the preceding month by a kerosene supplier.

3 (b) Proceeds. – The proceeds of one-fourth of one cent (1/4 of 1¢) per gallon of
4 the inspection tax levied by this section shall be applied first to the costs of
5 administering this Article and Subchapter V of Chapter 105 of the General Statutes. The
6 remainder of the proceeds shall be credited on a monthly basis to the Commercial
7 Leaking Petroleum Underground Storage Tank Cleanup Fund and the Noncommercial
8 Leaking Petroleum Underground Storage Tank Cleanup Fund. If the amount of revenue
9 in the Noncommercial Fund at the end of a month is at least five million dollars
10 (\$5,000,000), one-half of the remainder of the proceeds shall be credited to the
11 Noncommercial Fund and one-half of the remainder of the proceeds shall be credited to
12 the Commercial Fund. If the amount of revenue in the Noncommercial Fund at the end
13 of a month is less than this threshold amount, all of the remainder of the proceeds shall
14 be credited to the Noncommercial Fund. Seventy-five percent (75%) of the proceeds of
15 one-half of one cent (1/2 of 1¢) per gallon of the inspection tax levied by this section
16 shall be credited on a monthly basis to the Commercial Leaking Petroleum
17 Underground Storage Tank Cleanup Fund, and twenty-five percent (25%) of the
18 proceeds of one-half of one cent (1/2 of 1¢) per gallon of the inspection tax levied by
19 this section shall be credited on a monthly basis to the Noncommercial Leaking
20 Petroleum Underground Storage Tank Cleanup Fund.

21 (c) No Local Tax. – No county, city, or town shall impose any inspection charge,
22 tax, or fee, in the nature of the charge prescribed by this section, upon kerosene and
23 motor fuel."

24 **SECTION 2.** This act becomes effective 1 July 2003.