

GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE BILL DRS15001-SVfa-1A

Short Title: Relief at the Pump.

(Public)

Sponsors: Senators Barnes, Lee, and B. Newton (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE RELIEF AT THE PUMP FOR NORTH CAROLINIANS BY
3 REQUIRING AN IMMEDIATE SUSPENSION OF THE MOTOR FUEL TAX THROUGH
4 NOVEMBER 30, 2026, APPROPRIATING AMOUNTS NECESSARY TO HOLD
5 HARMLESS THE FUNDS THAT WOULD HAVE RECEIVED THE MOTOR FUEL
6 TAX, WAIVING THROUGH DECEMBER 31, 2026, THE ENFORCEMENT OF CIVIL
7 AND CRIMINAL PENALTIES FOR HIGHWAY USE OF DYED DIESEL ASSOCIATED
8 WITH FARMING AND AGRICULTURAL PURPOSES, EXEMPTING FROM THE
9 MOTOR FUEL TAX THROUGH DECEMBER 31, 2026, HIGHWAY USE OF DYED
10 DIESEL BY CERTAIN USERS, AND REQUIRING THE DEPARTMENT OF REVENUE
11 AND THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO
12 NOTIFY AFFECTED PARTIES.

13 The General Assembly of North Carolina enacts:

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15 IMMEDIATE SUSPENSION OF THE MOTOR FUEL TAX THROUGH NOVEMBER
16 30, 2026

17 SECTION 1.(a) Notwithstanding G.S. 105-449.80, the motor fuel excise tax is
18 suspended for a period beginning the day after this act becomes law through November 30, 2026.
19 Therefore, the tax rate for this period is zero cents (0¢) per gallon. A person who would have
20 been required to file a return but for the suspension under this section must still file a return
21 despite no tax liability accruing on the motor fuel.

22 SECTION 1.(b) Except for dyed diesel fuel, motor fuel or alternative fuel is
23 considered taxed under Articles 36C and 36D of Chapter 105 of the General Statutes during the
24 tax suspension for the following purposes:

- 25 (1) Determining whether fuel is exempt from sales and use tax in accordance with
26 G.S. 105-164.13(11).
27 (2) Determining the existence of a violation under G.S. 105-449.117,
28 105-449.118, or 105-449.120(b) for using or dispensing non-tax-paid fuel.

29 SECTION 1.(c) For purposes of calculating the 2027 motor fuel excise tax rate under
30 G.S. 105-449.80, the suspension period is disregarded.

31 SECTION 1.(d) During the tax suspension period, the following provisions apply:

- 32 (1) The cost of motor fuel shall not include the amount of motor fuel tax that
33 would have otherwise been included but for the suspension under this section
34 so that the ultimate price per gallon of motor fuel paid by the consumer reflects
35 the savings due to the suspension of the motor fuel tax under this section.



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- (2) No retailer is required to reduce the price per gallon of motor fuel if the cost includes the motor fuel excise tax because the tax accrued prior to the effective date of the suspension under this section.

SECTION 1.(e) As soon as practicable, on a monthly basis, the Secretary of Revenue shall inform the State Controller of, and the State Controller shall transfer, the hold harmless amounts from the Stabilization and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the funds and accounts listed in this subsection. The hold harmless amounts are the distributions those funds and accounts would have received under G.S. 105-449.125 and G.S. 105-449.126 but for the suspension of tax set forth in this section. The amounts transferred shall be used for, and are appropriated to, the following funds and accounts for the programs and purposes provided for by applicable law:

- (1) The Highway Fund.
- (2) The Highway Trust Fund.
- (3) The Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.
- (4) The Water and Air Quality Account.
- (5) The Wildlife Resources Fund.
- (6) The Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund.

WAIVER OF ENFORCEMENT OF CIVIL AND CRIMINAL PENALTIES FOR HIGHWAY USE OF DYED DIESEL FUEL FOR FARMING AND AGRICULTURAL PURPOSES

SECTION 2. Upon the effective date of this act and through December 31, 2026, the Secretary of Revenue, or a person designated by the Secretary pursuant to G.S. 105-449.117(c), including any law enforcement official, shall not impose a civil or criminal penalty under G.S. 105-449.117, 105-449.118, 105-449.118A, or 105-449.120(b) against (i) a person who uses dyed diesel fuel for farming or agricultural purposes in a highway vehicle that is licensed or required to be licensed under Chapter 20 of the General Statutes or (ii) a person who dispenses, or allows to be dispensed, dyed diesel fuel into the supply tank of a highway vehicle. For purposes of this section, "farming or agricultural purposes" includes crop cultivation, livestock rearing, forestry, aquaculture, and related agribusiness activities.

EXEMPTION OF MOTOR FUEL TAX PAID FOR HIGHWAY USE OF DYED DIESEL FUEL BY CERTAIN USERS

SECTION 3. Notwithstanding G.S. 105-449.87, for the period beginning October 1, 2026, through December 31, 2026, no tax liability shall accrue to a person who uses dyed diesel fuel to operate a licensed highway vehicle if the person has been issued an exemption certificate by the Department of Revenue as a qualifying farmer, a conditional farmer, a commercial logger, a commercial fisherman, or a wildlife manager. A person who uses dyed diesel fuel that is exempt from tax under this section must file a return under G.S. 105-449.90 despite no tax liability accruing on the dyed diesel fuel.

NOTIFICATION TO AFFECTED PARTIES

SECTION 4. The Department of Revenue, in coordination with the Department of Agriculture and Consumer Services, shall endeavor to notify persons with an obligation to collect or remit motor fuel tax, persons who sell motor fuel at retail, and persons covered by Section 2 or 3 of this act of the provisions of this act as soon as practicable when this act becomes law.

EFFECTIVE DATE

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.