



NCDOR

NORTH
CAROLINA
DEPARTMENT
OF REVENUE

Roy Cooper
Governor

Ronald G. Penny
Secretary

December 15, 2020

MEMORANDUM

TO: Motor Fuels and Alternative Fuels Licensees

FROM: John D. Panza, Director
Excise Tax Division

RE: Motor Fuels and Alternative Fuels Tax Rate
January 1, 2021 through December 31, 2021

In accordance with HB 77, s 4.2., S.L. 2020-91 and North Carolina General Statute Section 105-449.80, the Secretary of Revenue has determined that the motor fuels and alternative fuels tax rate for the period of January 1, 2021 through December 31, 2021 will remain 36.1 cents per gallon.

The motor fuel excise tax rate is generally calculated by using the amount of the preceding calendar year, multiplied by a percentage. The percentage is 100 percent plus or minus the sum of the annual percentage change in State population for the applicable calendar year, multiplied by 75 percent and the annual energy index percentage change in the Consumer Price Index for All Urban Consumers, multiplied by 25 percent. However, for the period of January 1, 2021 through December 31, 2021, the motor fuel excise tax rate is the greater of 36.1 cents per gallon or the rate calculated using the method described above.

In addition, the inspection tax will remain at .0025 cents per gallon.

If you have any questions, please contact the Excise Tax Division at (919) 707-7500 or toll free (877) 308-9092.