



**NCDOR**

**NORTH  
CAROLINA  
DEPARTMENT  
OF REVENUE**

**Excise Tax Division  
North Carolina Department of Revenue  
Post Office Box 25000  
Raleigh, North Carolina 27640-0001  
[www.dornc.com](http://www.dornc.com)**

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## **Important Notice: Regarding Excise Tax on Fuel Grade Ethanol or Biodiesel Fuel**

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During the 2017 legislative session, N.C.G.S. 105-449.81(3b) was amended in part through Session Law 2017-39 to add marine vessels as a mode of transportation for which fuel grade ethanol or biodiesel are taxable upon importation into this State. This subsection was amended further through Session Law 2017-204 to clarify that the Excise tax imposed on fuel grade ethanol or biodiesel imported by marine vessel only applies when the fuel grade ethanol or biodiesel is delivered to a non-registered IRS terminal.

Fuel grade ethanol or biodiesel fuel remains taxable when (a) it is produced in this State and is removed from the storage facility at the production location or (b) it is imported to this State by means of a transport truck, a railroad tank car, or a tank wagon – modes of transportation outside the terminal transfer system.

Effective August 11, 2017, in addition to importation by transport truck, railroad tank car, or tank wagon, fuel grade ethanol or biodiesel is taxable when it is imported into this State by a marine vessel where fuel grade ethanol or biodiesel from the vessel is not delivered to a terminal that has been assigned a terminal control number by the Internal Revenue Service. Fuel grade ethanol or biodiesel remain not taxable upon importation into this state when the product is delivered by marine vessel to a registered IRS terminal.

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Questions regarding this notice may be directed to the Excise Tax Division at telephone number (919) 707-7500 or toll free (877) 308-9092.

If a written response would require the Department to interpret the law in a manner not specifically addressed in a statute, regulation, or Departmental or IRS publication, the person requesting the written response must follow the procedure (and pay the required fee) for requesting a private letter ruling available on the Department's website at the following address: [www.dornc.com/practitioner/plr\\_policy.pdf](http://www.dornc.com/practitioner/plr_policy.pdf).