



**Sales and Use Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001
www.dorncc.com**

**IMPORTANT NOTICE:
AVIATION GASOLINE AND JET FUEL EXEMPTION EXPANDED**

Session Law 2016-5, signed into law May 11, 2016, expands the exemption from sales and use tax provided in N.C. Gen. Stat. § 105-164.13(11b), for sales of aviation gasoline and jet fuel to an interstate air business for use in a commercial aircraft to include aviation gasoline and jet fuel purchased for use in a commercial aircraft in *foreign commerce* by a person whose primary business is scheduled passenger air transportation. The amendment is retroactive to January 1, 2016.

The exemption in N.C. Gen. Stat. §105-164.13(11b), as originally enacted, did not provide an exemption from sales and use tax for aviation gasoline and jet fuel purchased for use in a commercial aircraft by a person whose primary business is scheduled passenger air transportation in foreign commerce. Sales of aviation gasoline or jet fuel to an "interstate air courier" or "interstate freight air carrier," both of which are defined in N.C. Gen. Stat. § 105-164.3, for use in a commercial aircraft for foreign commerce, continue to be subject to sales and use tax at the 7% combined general rate of tax.

For additional information regarding the tax on aviation gasoline and jet fuel, refer to the [Aviation Gasoline and Jet Fuel Overview Web Page](#) on the Department's [website](#).

Assistance

General questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).

To the extent that there is any change in statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding sales and use tax issued prior to the date of this notice conflicts with this important notice, the provisions contained in this important notice supersede.