



North Carolina Department of Revenue

Beverly Eaves Perdue
Governor

David W. Hoyle
Secretary

July 6, 2012

MEMORANDUM

TO: Motor Fuels and Alternative Fuels Licensees

FROM: Julian W. Fitzgerald, Sr., Director
Excise Tax Division

RE: Motor Fuels and Alternative Fuels Tax Rate
July 1, 2012 through December 31, 2012

This memorandum is an amendment to the previous memorandum dated June 26, 2012.

In accordance with North Carolina General Statute 105-449.80, the Secretary of Revenue has determined that the motor fuels and alternative fuels tax rate for the period July 1, 2012 through June 30, 2013 will decrease from 38.9 cents to 37.5 cents per gallon.

The tax rate is computed using a flat rate of 17.5 cents per gallon and a variable wholesale component. The variable wholesale component is either 3.5 cents or 7 percent of the average wholesale price of motor fuel during the preceding six-month base period, whichever is greater. The average wholesale price is a weighted average of the wholesale prices of gasoline and No. 2 diesel fuel. The average price for the last base period was \$2.8810 cents per gallon.

North Carolina House Bill 950 became law on July 2, 2012 to cap the motor fuels tax rate at 37.5 cents per gallon with an effective date of July 1, 2012. Any invoices issued with the tax rate of 37.7 should be re-billed to reflect a tax rate of 37.5.

In addition, the inspection tax remains at ¼ cents per gallon.

If you have any questions, please contact the Excise Tax Division at (919) 733-3409 or Toll Free (877) 308-9092.