



## North Carolina Department of Revenue

Beverly Eaves Perdue  
Governor

David W. Hoyle  
Secretary

June 26, 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

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 December 31, 2012 will decrease from 38.9 cents to 37.7 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.

Please be advised that both the House and the Senate of the North Carolina General Assembly (the state legislature) have passed bills that cap the motor fuels excise tax for gasoline, diesel, and alternative fuels at the rate of 37.5 cents per gallon. As currently written, both bills will begin the rate cap on July 1, 2012, and end the rate cap on June 30, 2013, but those dates may change.

To be clear, these bills are not yet law. Until House Bill 950, The Current Operations and Capital Improvement Act of 2012, or another Act of the General Assembly that applies a motor fuels tax rate cap becomes law, the rate effective beginning on July 1, 2012 will be 37.7 cents per gallon.

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.