



SENATE BILL 220: Motor Fuel Tax Exemption for Joint Agency.

2017-2018 General Assembly

Committee:		Date:	July 24, 2018
Introduced by:		Prepared by:	Trina Griffin Staff Attorney
Analysis of:	S.L. 2018-39		

OVERVIEW: *S.L. 2018-39 exempts a joint agency created by interlocal agreement for the purposes of fire protection, police protection, or emergency services from having to pay motor fuel excise taxes.*

This act becomes effective October 1, 2018, and applies to purchases made on or after that date.

CURRENT LAW: G.S. 105-449.88 exempts fuel sold to a limited number of governmental entities from the motor fuels excise tax: fuel for use by the federal government, State government, a local board of education, a charter school, a community college, a county, or a city. While current law exempts municipalities and counties from paying motor fuel taxes, it does not exempt municipal and county governments when they form interlocal agreements to perform services.

BILL ANALYSIS: The act affords the same tax preferences for certain joint agencies created by an interlocal agreement between two or more governmental units that current law allows for the individual units. Specifically, it exempts a joint agency created for the purpose of police, fire, or emergency services from paying motor fuel excise taxes on the fuel it uses.

EFFECTIVE DATE: This act becomes effective October 1, 2018, and applies to purchases made on or after that date.

BACKGROUND: The only known joint agency S.L. 2018-39 provides a motor fuel tax exemption for is the Western Carteret Fire & EMS Department, but it also applies to any joint agency that meets the criteria.

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