

CHAPTER 12 – MOTOR FUEL TAX

SUBCHAPTER 12A – HIGHWAY FUEL USE TAX

SECTION .0100 - OPERATIONS

17 NCAC 12A .0101 OPERATIONS OF VEHICLES EXCLUDED FROM REPORTS

Every motor carrier must report the operations of all qualified vehicles in its fleet when calculating fuel used in North Carolina pursuant to G.S. 105-449.44 for purposes of filing the report required by G.S. 105-449.45. This requirement does not apply to vehicles that operate exclusively intrastate and do not display an IFTA decal.

History Note: Authority G.S. 105-262; 105-449.37; 105-449.44; 105-449.45;
Eff. January 1, 1983;
Amended Eff. August 1, 1998; January 1, 1994; January 1, 1992; February 1, 1990; March 1, 1987;
Recodified from 17 NCAC 09I .0102 Eff. November 1, 2002;
Amended Eff. August 1, 2003.

SECTION .0200 – NORTH CAROLINA FUEL PURCHASES

17 NCAC 12A .0201 NC RETAIL FUEL PURCHASE INVOICES

(a) North Carolina retail fuel purchase invoices must contain the following information:

- (1) Date of purchase;
- (2) Name and address of the seller;
- (3) Number of gallons purchased;
- (4) Type of fuel purchased;
- (5) Price per gallon;
- (6) Either the company unit number of the vehicle into which the fuel was placed or the vehicle's license plate designation and the state that issued the plate; and
- (7) Purchaser's name. In the case of a leased vehicle, either the lessee or the lessor can submit receipts as the purchaser if the person who submits the receipts can establish a legal connection to the person required to file a report.

(b) In order for the motor carrier to obtain credit for retail tax paid purchases, a receipt or invoice, a credit card receipt, a microfilm/microfiche copy, or a computer image of the receipt or invoice must be retained by the motor carrier establishing the purchases and payment of the tax.

(c) Invoices must be maintained for a period of at least three years for possible audit by an agent of the North Carolina Department of Revenue.

History Note: Authority G.S. 105-262; 105-449.39;
Eff. January 1, 1983;
Amended Eff. October 1, 1991; February 1, 1990;
Recodified from 17 NCAC 09I .0201 Eff. November 1, 2002;
Amended Eff. August 1, 2003.

17 NCAC 12A .0202 WITHDRAWALS FROM BULK STORAGE

(a) A motor carrier maintaining bulk storage of North Carolina tax paid motor fuel is entitled to credit on the highway fuel use tax report based on the date the fuel is put into the motor vehicle, not on the date of purchase.

(b) A motor carrier who withdraws fuel from bulk storage must maintain withdrawal records containing the following information:

- (1) Date of withdrawal;
- (2) Number of gallons;
- (3) Fuel type;
- (4) Company unit number or vehicle license plate number and state; and
- (5) Purchase and inventory records to substantiate that tax was paid on all bulk purchases.

(c) Upon application by the motor carrier, the State may waive the requirement of unit numbers for fuel withdrawn from its own bulk storage and placed in its subject vehicles. The motor carrier must show that adequate records are maintained to distinguish fuel placed into subject vehicles from that placed into non-subject vehicles.

History Note: Authority G.S. 105-262; 105-449.39;
Eff. January 1, 1983;
Amended Eff. February 1, 1990; May 1, 1987; March 1, 1987;
Recodified from 17 NCAC 09I .0202 effective November 1, 2002.

SECTION .0300 – CREDITS AND REFUNDS

17 NCAC 12A .0301 REFUNDS

The Secretary may make refunds without prior audit or without having been furnished a bond if the motor carrier has complied with the motor fuel tax laws and rules. All credits of at least three dollars (\$3.00) are automatically refunded and all refunds of credits under three dollars (\$3.00) must be requested in writing.

History Note: Authority G.S. 105-262; 105-266; 105-449.39; 105-449.40;
Eff. January 1, 1983;
Amended Eff. July 1, 2000; January 1, 1994; February 1, 1990;
Recodified from 17 NCAC 09I .0302 Eff. November 1, 2002;
Amended Eff. August 1, 2003.

17 NCAC 12A .0302 AMOUNT OF BOND REQUIRED

For motor carrier bonds exceeding five hundred dollars (\$500.00), the amount of bond shall be rounded to the nearest one thousand dollars (\$1,000.00). If the amount required is exactly between two one thousand dollar (\$1,000.00) increments, the amount shall be rounded to the higher of the two.

History Note: Authority G.S. 105-262; 105-449.40;
Eff. January 1, 1983;
Amended Eff. January 1, 1994; January 1, 1992;
Recodified from 17 NCAC 09I .0303 effective November 1, 2002.

17 NCAC 12A .0303 TYPES OF ACCEPTABLE BONDS

The Motor Fuels Tax Division will accept surety bonds on Form Gas 1212, furnished by this Division, executed by any surety company licensed to do business in this State. The Division will also accept bonds secured by any of the following types of collateral if the proposed collateral has a fair market value that is at least 115% of the amount required:

- (1) Certificates of deposit or cashier's checks made payable to the taxpayer.
- (2) Negotiable U.S. Treasury bonds.
- (3) Negotiable U.S. Treasury notes.
- (4) Public School Facilities bonds.
- (5) Housing Finance Agency bonds.
- (6) General Obligation Bonds of the State of North Carolina or one of its political subdivisions with a rating of at least BBB.
- (7) Revenue Bonds of the State of North Carolina or one of its political subdivisions with a rating of at least BBB.

History Note: Authority G.S. 105-262; 105-449.40;
Eff. January 1, 1983;
Amended Eff. August 1, 1998; January 1, 1992; October 1, 1991; March 1, 1987;
Recodified from 17 NCAC 09I .0304 effective November 1, 2002.

SECTION .0400 – TAX RETURNS AND MILES PER GALLON FACTORS

17 NCAC 12A .0401 AVERAGE MILES PER GALLON FACTORS

(a) In the absence of records substantiating total miles and/or total fuel, audits will be based on average miles per gallon factors of other carriers with similar equipment and similar operations.

(b) The use of a miles per gallon factor on an audit is not an authorization for filing future reports on an average miles per gallon factor.

(c) Audits will be based on current information of carriers maintaining complete and accurate records as required by statute.

History Note: Authority G.S. 105-262; 105-449.44; 105-449.45;
Eff. January 1, 1983;
Amended Eff. January 1, 1994; February 1, 1990; March 1, 1987;
Recodified from 17 NCAC 091 .0402 effective November 1, 2002.

17 NCAC 12A .0402 COMPANY FACTOR: LEASE UNITS

A motor carrier leasing units from other carriers and also operating company owned units may use the company miles per gallon factor to arrive at the North Carolina fuel used for leased units provided:

- (1) The company owned equipment is similar in size, type, gross weight and engine performance;
- (2) The company owned equipment uses the same type fuel as the leased units;
- (3) The mileages are calculated from the same basis. A motor carrier using odometer readings in arriving at total and North Carolina miles on company units must also use odometer readings in arriving at miles on leased units.

History Note: Authority G.S. 105-262; 105-449.44; 105-449.45;
Eff. January 1, 1983;
Amended Eff. March 1, 1987;
Recodified from 17 NCAC 091 .0403 effective November 1, 2002.

SECTION .0500 – REGISTRATION CARDS AND IDENTIFICATION MARKERS

17 NCAC 12A .0501 RESERVED

17 NCAC 12A .0502 REVOCATION OF REGISTRATION

The Motor Fuels Tax Division may revoke a motor carrier's registration for failure to pay any of the following:

- (1) A liability imposed under Subchapter V of Chapter 105, the North Carolina Motor Fuel Tax Laws.
- (2) A liability imposed by another IFTA jurisdiction if the laws, administrative procedures, or reciprocal agreements of the other jurisdiction allow it to revoke a carrier based in that jurisdiction for failure to pay a similar liability imposed by this State.

History Note: Authority G.S. 105-262; 105-449.47; 105-449.57;
Eff. August 1, 2003.

17 NCAC 12A .0503 DEALER: MANUFACTURER: DRIVEAWAY: TRANSPORTER

Motor carriers operating qualified motor vehicles with a dealer, manufacturer, driveaway or transporter license plate, issued either in North Carolina or other jurisdictions must obtain a registration and a vehicle identification marker, from the Motor Fuels Tax Division or another International Fuel Tax Agreement (IFTA) jurisdiction. These vehicles must have a registration and vehicle identification marker at all times while operating in North Carolina.

History Note: Authority G.S. 105-262; 105-449.45; 105-449.47; 105-449.48; 105-449.50;
Eff. March 1, 1987;
Amended Eff. January 1, 1994; January 1, 1992; October 1, 1991; February 1, 1990;
Recodified from 17 NCAC 091 .0506 effective November 1, 2002.