

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1163

Introduced by

Finance and Taxation Committee

(At the request of the Department of Transportation)

1 A BILL for an Act to amend and reenact sections 57-43.1-02 and 57-43.2-02 of the North
2 Dakota Century Code, relating to motor vehicle fuel and special fuel taxes; to repeal sections
3 57-43.1-02.1 and 57-43.2-02.1 of the North Dakota Century Code, relating to additional motor
4 vehicle fuel and special fuel taxes; to provide an appropriation; to provide an effective date; and
5 to provide an expiration date.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Section 57-43.1-02 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-43.1-02. Tax imposed on motor vehicle fuels.**

- 10 1. Except as otherwise provided in this section, a tax of ~~seventeen~~ twenty cents per
11 gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
12 2. The dealer shall collect the tax imposed by this section from the consumer on all
13 sales.
14 3. Sales of fuel in the original package may be made to a licensed dealer, and the
15 dealer may collect the tax imposed by this chapter, but on sales in the original
16 package to persons other than licensed dealers, the dealer is liable for the tax.

17 **SECTION 2. AMENDMENT.** Section 57-43.2-02 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **57-43.2-02. Tax imposed - Exemptions.**

- 20 1. An excise tax of ~~seventeen~~ twenty cents per gallon [3.79 liters] is imposed on the
21 sale or delivery of special fuel to any special fuel user, except that special fuel to
22 be used for heating, agricultural, or railroad purposes or for industrial purposes
23 other than in the performance of a contract with any unit of government is exempt
24 from the tax imposed by this chapter, provided that the sale or delivery of special

1 fuel for use in a motor vehicle is not exempt. For the purpose of determining the
2 tax upon compressed natural gas under this section, one hundred twenty cubic
3 feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79
4 liters] of other special fuel.

5 2. The tax attaches at the time of sale, delivery, or transfer of title of ~~such~~ the special
6 fuel to a special fuel user or unlicensed dealer. The special fuel dealer shall collect
7 the tax from the special fuel user and pay the tax to the commissioner as provided
8 in this chapter.

9 3. Except as prohibited by section 57-43.1-09 the tax is refundable when used for
10 nonhighway purposes, and the provisions and procedures of chapter 57-43.1
11 relating to the refund of motor fuel taxes apply to the tax imposed by this chapter,
12 provided that the amount refunded for any special fuel does not include the
13 amount of tax imposed by section 57-43.2-03 on the sale of that fuel.

14 **SECTION 3. REPEAL.** Sections 57-43.1-02.1 and 57-43.2-02.1 of the 1995
15 Supplement to the North Dakota Century Code are repealed.

16 **SECTION 4. APPROPRIATION.** There is hereby appropriated out of any moneys in
17 the state highway tax distribution fund in the state treasury the entire state's share of revenue
18 from the additional tax imposed by sections 1 and 2 of this Act, but not exceeding \$12,200,000,
19 or so much of the sum as may be necessary, to the department of transportation for highway
20 purposes for the biennium beginning July 1, 1997, and ending June 30, 1999.

21 **SECTION 5. EFFECTIVE DATE - EXPIRATION DATE.** Sections 1, 2, and 3 of this
22 Act are effective for sales or delivery of motor vehicle or special fuels after June 30, 1997.
23 Sections 1 and 2 of this Act are effective through December 31, 1999, and are thereafter
24 ineffective.