

Fifty-fifth
Legislative Assembly
of North Dakota

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 1
3 and 2 of chapter 575 of the 1995 Session Laws, relating to additional motor vehicle fuel and
4 special fuel taxes; and to provide an appropriation.

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

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

8 **57-43.1-02. Tax imposed on motor vehicle fuels.**

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

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

18 **57-43.2-02. Tax imposed - Exemptions.**

- 19 1. An excise tax of ~~seventeen~~ twenty cents per gallon [3.79 liters] is imposed on the
20 sale or delivery of special fuel to any special fuel user, except that special fuel to
21 be used for heating, agricultural, or railroad purposes or for industrial purposes
22 other than in the performance of a contract with any unit of government is exempt
23 from the tax imposed by this chapter, provided that the sale or delivery of special
24 fuel for use in a motor vehicle is not exempt. For the purpose of determining the

1 tax upon compressed natural gas under this section, one hundred twenty cubic feet
2 [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of
3 other special fuel.

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

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

13 **SECTION 3. REPEAL.** Sections 1 and 2 of chapter 575 of the 1995 Session Laws are
14 repealed.

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