

Bipartisan Gas Tax Reform Bill Signed By Governor, Takes Effect April 1

By Administrator

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RALEIGH, (SGRToday.com) - Effective April 1, North Carolina's gas tax will drop 1.5 cents per gallon to 36 cents. The cut is the first reduction that's part of a transportation stabilization plan passed by the legislature and signed by Gov. Pat McCrory Tuesday evening.

The tax will drop by another 1 cent on January 1, 2016, to 35 cents. That summer, on July 1, it will decrease by another penny and sit at 34 cents. The federal tax is 18.4 cents per gallon.

The reform ends a decades-old procedure of pegging North Carolina's tax rate, in part, to the wholesale price of oil on world markets. State leaders have complained that the volatility and unpredictability of oil markets has left the state unable to accurately forecast revenue to maintain roads.

The vote to change the system was overwhelming: 79 to 39 in the House of Representatives and 41 to 8 in the Senate.

The new gas tax system will require the North Carolina Department of Transportation to reduce its budget by \$13.5 million. The elimination of 40 positions will be among the cuts made to meet that budget reduction.