MEMORANDUM

TO:      Motor Fuels and Alternative Fuels Licensees

FROM:    John D. Panza, Director
         Excise Tax Division

RE:      Motor Fuels and Alternative Fuels Tax Rate
         January 1, 2022 through December 31, 2022

In accordance with HB 77, s 4.2., S.L. 2020-91 and North Carolina General Statute
Section 105-449.80, the Secretary of Revenue has determined that the motor fuels and
alternative fuels tax rate for the period of January 1, 2022 through December 31, 2022
will be 38.5 cents per gallon or gallon equivalent.

The motor fuel excise tax rate is generally calculated by using the motor fuel excise tax
rate of the preceding calendar year, multiplied by a percentage. The percentage is 100
percent plus or minus the sum of the annual percentage change in State population for
the applicable calendar year, multiplied by 75 percent and the annual energy index
percentage change in the Consumer Price Index for All Urban Consumers, multiplied by
25 percent. However, for the period beginning January 1, 2022 the motor fuel tax rate
shall be calculated pursuant to the formula set out in G.S. 105-449.80(a) using as the
amount for the preceding calendar year the amount that the motor fuel tax rate would
have been for the calendar year 2021.

In addition, the inspection tax will remain at .0025 cents per gallon.

If you have any questions, please contact the Excise Tax Division at (919) 707-7500 or
toll free (877) 308-9092.