



**Sales and Use Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001
www.ncdor.gov**

IMPORTANT NOTICE: AVIATION GASOLINE AND JET FUEL

Imposition

Effective January 1, 2016, N.C. Gen. Stat. § 105-164.4(a)(15) imposes the 7% combined general rate of sales and use tax to the gross receipts derived from the sale of aviation gasoline and jet fuel sold at retail or purchased for storage, use, or consumption in this State on or after January 1, 2016. Prior to January 1, 2016, the gross receipts derived from the sale of aviation gasoline and jet fuel sold at retail or purchased for storage, use, or consumption in this State are subject to the general 4.75% State and applicable local and transit rates of sales and use tax. For sales and use tax purposes, the definitions for "aviation gasoline" and "jet fuel" in N.C. Gen. Stat. § 105-164.3 refer to the terms as defined in N.C. Gen. Stat. § 105-449.60.

Exemption

Effective January 1, 2016, N.C. Gen. Stat. § 105-164.13(11b) provides an exemption from sales and use tax for aviation gasoline and jet fuel sold to an interstate air business for use in a commercial aircraft on or after January 1, 2016. For purposes of the exemption, the term "commercial aircraft" includes only aircraft that has a certified maximum take-off weight of more than 12,500 pounds and is regularly used to carry for compensation passengers, commercial freight, or individually addressed letters and packages. N.C. Gen. Stat. § 105-164.3(14c) defines "interstate air business" as "[a]n interstate air courier, an interstate freight air carrier, or an interstate passenger air carrier." The statutory definitions of "interstate air courier," "interstate freight air carrier," and "interstate passenger air carrier" can be found in N.C. Gen. Stat. § 105-164.3.

Registration

A person required to remit the 7% combined general rate of sales and use tax on the gross receipts derived from the sale or purchase of aviation gasoline or jet fuel on or after January 1, 2016, who is not registered to file Form E-500E, Combined General Rate Sales and Use Tax Return, must complete [Form NC-JFR, Registration Application for Jet Fuel Tax](#), and submit the form to the Department to obtain a registration.

Tax Form and Reporting Requirements

Effective for filing periods beginning January 1, 2016, the gross receipts derived from sales or purchases of aviation gasoline or jet fuel for storage, use, or consumption in this State and the applicable 7% combined general rate of sales and use tax due thereon must be reported on [Form E-500E](#). Gross receipts for resale and exempt gross receipts derived from sales of aviation gasoline and jet fuel must be reported on lines 2 and 3, respectively, when filing Form E-500E.

Assistance

General questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).

To the extent that there is any change in statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding sales and use tax issued prior to the date of this notice conflicts with this important notice, the provisions contained in this important notice supersede.