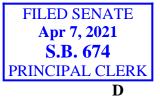
GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2021



SENATE BILL DRS45384-MCxf-9

	Short Title:	Ca	rbon Tax. (Public)
	Sponsors:	Se	nator Nickel (Primary Sponsor).
	Referred to:		
1			A BILL TO BE ENTITLED
2			POSE A CARBON EMISSIONS TAX.
3			embly of North Carolina enacts:
4			TON 1. Subchapter I of Chapter 105 of the General Statutes is amended by
5	adding a nev	v Art	
6			" <u>Article 2E.</u>
7			" <u>Carbon Emissions Tax.</u>
8			Carbon emissions tax.
9		-	The taxes imposed by this Article shall be collected only once on the same
10	carbon-based		•
11		dmi	nistration. – Except as otherwise provided, Article 9 of this Chapter applies to
12	this Article.		
13			tions The following definitions apply in this Article:
14	<u>(</u>)	<u>1)</u>	Carbon-based fuel product Coal, a petroleum product, natural gas, or
15			electricity produced from such fuels.
16	<u>(</u> 2	<u>2)</u>	Carbon dioxide equivalent The amount of carbon dioxide by mass that
17			would produce the same global warming impact as a given mass of another
18			greenhouse gas over an integrated 20-year time frame after emission, based
19			on the best available science.
20		<u>3)</u>	Department. – The Department of Revenue.
21	<u>(</u> 4	<u>4)</u>	Distributor The vendor of a carbon-based fuel, at the first point of sale
22			within the State.
23	<u>(:</u>	<u>5)</u>	Greenhouse gas Carbon dioxide, methane, nitrous oxide,
24			hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and any other
25			substance emitted into the air that may be reasonably anticipated to cause or
26			contribute to anthropogenic climate change.
27	<u>()</u>	<u>6)</u>	Petroleum product. – All petroleum derivatives, whether in bond or not, which
28			are commonly burned to produce heat, electricity, or motion, or which are
29			commonly processed to produce synthetic gas for burning, including propane,
30			gasoline, unleaded gasoline, kerosene, heating oil, diesel fuel, kerosene-based
31			jet fuel, and number 4, number 5, and residual oil for utility and nonutility
32			uses, but not including petroleum feedstocks to plastics production or other
33			manufacturing.
34	<u>(</u>	<u>7)</u>	Sale. – A transfer, a trade, an exchange, or a barter, in any manner or by any
35			means, with or without consideration.
36	<u>(</u>	<u>8)</u>	Secretary. – The Secretary of Revenue.



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	(9)	Use. – The exercise of any right or power over carbon-ba	ased fuel products,		
		incident to the ownership or possession thereof, other that	an the making of a		
		sale thereof in the course of engaging in a business of se	lling carbon-based		
		fuel products. The term includes the keeping or retention of	f carbon-based fuel		
		products for use.			
<u>(d)</u>	Tax.	- Every distributor shall pay a tax on any carbon-based fuel	product sold, used,		
or entered	into th	e State by the distributor for purposes of distribution or use w	vithin the State. For		
the 2022	calenda	r year, the amount of the tax shall be twenty dollars (\$20.00)) per metric ton of		
carbon di	oxide e	quivalent that would be emitted through the combustion of a	carbon-based fuel		
product. For calendar years after 2022 until the amount of tax reaches fifty dollars (\$50.00) per					
metric tor	of car	bon dioxide equivalent, the amount of the tax per metric ton s	shall be the amount		
in effect	for the	preceding calendar year plus five dollars (\$5.00) and adj	usted by the same		
percentag	e as the	percent inflation used by the United States Bureau of Labor S	Statistics Consumer		
Price Index; thereafter, the adjustment of the amount shall include only the inflation percentage					
authorized in this subsection. A distributor shall pay the amount of the tax established under this					
Article by	the en	<u>d of each calendar quarter.</u>			
<u>(e)</u>		cations. – The Department shall annually calculate and pul	olish by October 1		
each of th					
	<u>(1)</u>	In conjunction with the Department of Environmental Qu			
		carbon dioxide equivalent applicable to each carbon-based	fuel product taxed		
		pursuant to this Article.			
	<u>(2)</u>	The amount of the tax applicable in the next calendar year	r under subsection		
10	_	(d) of this section.			
<u>(f)</u>	-	ption. – The tax levied in this Article does not apply to the f			
	<u>(1)</u>	Carbon-based fuel products to the extent that the carbon	-		
		that is emitted as a result of combustion is sequestered an	<u>d not released into</u>		
		the atmosphere.			
	<u>(2)</u>	Any activities which this Article may purport to tax i			
		Constitution of the United States or any federal statute ar	e hereby expressly		
	ъ	exempted from taxation under this Article.	11 1 1/ 1		
<u>(g)</u>		rt. – A distributor paying the tax established in this Article sha			
compliance report to the Department on a form made available by the Department. Each report					
		ar and concise information demonstrating that the distributor	made calculations		
		ully in accordance with this Article.	- 11 (- 1 1 (1-) -		
$\frac{(h)}{(h)}$	-	- The Secretary shall credit the net proceeds of the tax co	sheeted under this		
Article as			ha Cananal Fund ta		
	<u>(1)</u>	An amount equal to ten percent (10%) of the proceeds to the			
		be used for the special purpose of investments in and prom	otion of renewable		
	(2)	energy sources within the State. The remainder to be used to reduce the amount of utility	, hills not hy rota		
	<u>(2)</u>	The remainder to be used to reduce the amount of utility	onis paid by rate		
		payers."			