



Important Notice Regarding Excise Tax on Biodiesel

Effective October 1, 2014, N.C.G.S. 105-449.81(3b) changed the point of taxation on biodiesel. Biodiesel now becomes taxable when (a) it is produced in this State and is removed from the storage facility at the production location or (b) it is imported to this State outside the terminal transfer system. This change also clarifies that the producer or importer of biodiesel is required to be licensed as a "biodiesel provider" as defined in N.C.G.S. 105-449.60(4).

Prior to this law change, biodiesel was taxable if it was blended in this State or imported to this State as a blended fuel. The law change clarifies that biodiesel, whether blended or not, is a taxable motor fuel.

N.C.G.S. 105-449.83A was rewritten to clarify that the excise tax on biodiesel is payable by the biodiesel provider or the refiner.

A motor fuel tax license application may be obtained from the Division's website at www.dornrc.com. No bond is required for a biodiesel provider unless the average annual excise tax liability is at least \$2,000. N.C.G.S. 105-449.72(a)(3)(b).

Questions regarding this notice may be directed to the Excise Tax Division at (919) 707-7500 or toll free (877) 308-9092.