

1 SB142
2 181419-1
3 By Senator Dial
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 09-FEB-17

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8 SYNOPSIS: This bill would remove the five thousand
9 dollar bonding requirement for the issuance of an
10 inspection fee permit.

11
12 A BILL
13 TO BE ENTITLED
14 AN ACT

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16 To amend Sections 8-17-80, 8-17-87, 8-17-96,
17 8-17-97, 8-17-99 and 8-17-101, Code of Alabama 1975; relating
18 to the bond requirement for applicants for the inspection fee
19 permit.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. Sections 8-17-80, 8-17-87, 8-17-96,
22 8-17-97, 8-17-99 and 8-17-101, Code of Alabama 1975, are
23 amended to read as follows:

24 "§8-17-80.

25 "(a) The following words and phrases, when used in
26 this article, shall have the meanings ascribed to them in this

1 section, except where the context clearly indicates a
2 different meaning:

3 "(1) AVIATION GASOLINE. Motor fuel designed for use
4 in the operation of aircraft other than jet aircraft, and sold
5 or used for that purpose.

6 "(2) BIODIESEL FUEL. Any motor fuel or mixture of
7 motor fuels that is derived, in whole or in part, from
8 agricultural products or animal fats, or the wastes of such
9 products or fats, and is advertised as, offered for sale as,
10 suitable for use as, or used as motor fuel in a diesel engine.

11 "(3) BLENDED FUEL. A mixture composed of gasoline or
12 diesel fuel and any other liquid that can be used as a motor
13 fuel in a highway vehicle.

14 "(4) BOARD. The Alabama Board of Agriculture and
15 Industries.

16 "~~(5) BONDED DISTRIBUTOR. A reseller of dyed diesel~~
17 ~~fuel, dyed kerosene, and/or lubricating oil who elects to be~~
18 ~~bonded in accordance with Section 8-17-96.~~

19 "~~(6)~~ (5) BRAND. The trade name or other designation
20 under which a particular petroleum product is sold, offered
21 for sale, or otherwise identified.

22 "~~(7)~~ (6) BULK TRANSFER. Any transfer of motor fuel
23 from one location to another by pipeline tender or marine
24 delivery within a bulk transfer/terminal system, including,
25 but not limited to, the following:

26 "a. The movement of motor fuel from a refinery or
27 terminal to a terminal by marine vessel or barge.

1 "b. The movement of motor fuel from a refinery or
2 terminal to a terminal by pipeline.

3 "c. The book or in-tank transfer of motor fuel
4 within a terminal between licensed suppliers prior to the
5 completion of removal across the rack.

6 "d. A two-party exchange between licensed suppliers
7 or between licensed suppliers and permissive suppliers.

8 "~~(8)~~ (7) BULK TRANSFER/TERMINAL SYSTEM. The motor
9 fuel distribution system consisting of refineries, pipelines,
10 marine vessels, and terminals.

11 "~~(9)~~ (8) BULK USER. A person who receives into his or
12 her own storage facilities, in transport truck lots, taxable
13 motor fuel for his or her own consumption.

14 "~~(10)~~ (9) COMMISSIONER. The Alabama Commissioner of
15 Agriculture and Industries.

16 "~~(11)~~ (10) DEPARTMENT. The Alabama Department of
17 Agriculture and Industries.

18 "~~(12)~~ (11) DIESEL FUEL. Any liquid that is
19 advertised, offered for sale, or sold for use as or used as a
20 motor fuel in a diesel-powered engine. Diesel fuel includes #1
21 and #2 fuel oils, kerosene, special fuels, and blended fuels
22 which contain diesel fuel, but shall not include gasoline or
23 aviation fuel.

24 "~~(13)~~ (12) DYED DIESEL FUEL. Diesel fuel that meets
25 the dyeing and marking requirements of Section 4082, Title 26
26 of the United States Code.

1 "~~(14)~~(13) DYED KEROSENE. Kerosene that meets the
2 dyeing and marking requirements of Section 4082, Title 26 of
3 the United States Code.

4 "~~(15)~~(14) GASOHOL. A blended motor fuel composed of
5 gasoline and motor fuel grade alcohol.

6 "~~(16)~~(15) GASOLINE. Any product commonly or
7 commercially known as gasoline, regardless of classification,
8 that is advertised, offered for sale, or sold for use as or
9 used as motor fuel in an internal combustion engine, including
10 gasohol and blended fuel which contains gasoline. Gasoline
11 also includes gasoline blendstocks as defined under Section
12 4081, Title 26 of the United States Code and the regulations
13 promulgated thereunder. Gasoline does not include special fuel
14 or aviation gasoline sold to a licensed aviation fuel
15 purchaser for use in an aircraft motor.

16 "~~(17)~~(16) IMPORT. To bring petroleum products into
17 this state for sale, use, or storage by any means of
18 conveyance other than in the fuel supply tank of a motor
19 vehicle. Petroleum products delivered into this state from
20 out-of-state by or for the seller constitutes an import by the
21 seller. Petroleum products delivered into this state from
22 out-of-state by or for the purchaser constitutes an import by
23 the purchaser.

24 "~~(18)~~(17) IMPORTER. A person who imports petroleum
25 products into this state.

1 "(18) INSPECTION FEE PERMIT HOLDER. A person to whom
2 the Department of Revenue has issued an inspection fee permit.

3 "(19) K-1 KEROSENE. A petroleum product having an
4 A.P.I. gravity of not less than 40 degrees, at a temperature
5 of 60 degrees Fahrenheit and a minimum flash point of 100
6 degrees Fahrenheit, and which meets American Society for
7 Testing Materials Standard D-3699 as in effect on January 1,
8 1999.

9 "(20) KEROSENE. All grades of kerosene, including,
10 but not limited to, the two grades of kerosene, No. 1-K and
11 No. 2-K, commonly known as K-1 kerosene and K-2 kerosene,
12 respectively, described in the American Society for Testing
13 Materials Standard D-3699, in effect on January 1, 1999, and
14 kerosene-type jet fuel described in the American Society for
15 Testing Materials Standard D-1655 and military specifications
16 MIL-t-5624r and MIL-t-83133d (grades jp-5 and jp8) and any
17 grade described as kerosene or kerosene-type jet fuel by the
18 Internal Revenue Code and administrative guidance promulgated
19 thereunder.

20 "(21) LUBRICATING OIL. Those products of petroleum
21 that are commonly used in lubricating or oiling engines and
22 any devices or substitutes for such products of petroleum.

23 "(22) NET GALLONS. The amount of dyed diesel fuel
24 and dyed kerosene measured in gallons when adjusted to a
25 temperature of 60 degrees Fahrenheit and a pressure of
26 fourteen and seven-tenths pounds pressure per square inch.

1 "(23) PERMISSIVE SUPPLIER. An out-of-state supplier
2 that elects, but is not required, to have a supplier's license
3 as required in Section 40-17-332.

4 "(24) PERSON. Any natural person, firm, partnership,
5 association, corporation, receiver, trust, estate, or other
6 entity as well as any other group or combination thereof
7 acting as a unit.

8 "(25) PERSON FIRST SELLING. Any person, as herein
9 defined, who first sells dyed diesel fuel, dyed kerosene,
10 and/or lubricating oil in Alabama on which an inspection fee
11 is imposed by this article. The first seller of dyed diesel
12 fuel, dyed kerosene, and/or lubricating oil must obtain an
13 inspection fee permit by making application to the Department
14 of Revenue.

15 "(26) PETROLEUM PRODUCTS. Gasoline, diesel fuel, and
16 lubricating oil.

17 "(27) RETAILER. A person other than a wholesale
18 distributor that engages in the business of selling or
19 distributing taxable motor fuel to the end user within this
20 state.

21 "(28) REVENUE COMMISSIONER. The Commissioner of the
22 Alabama Department of Revenue.

23 "(29) SPECIAL FUEL. Any gas or liquid, other than
24 gasoline, used or suitable for use as motor fuel in an
25 internal combustion engine or motor to propel any form of
26 vehicle, machine, or mechanical contrivance, and includes
27 products commonly known as natural or casing-head gasoline,

1 biodiesel fuel, and transmix. Special fuel does not include
2 any petroleum product or chemical compound such as alcohol,
3 industrial solvent, or lubricant, unless blended in or sold
4 for use as motor fuel in an internal combustion engine.

5 "(30) STATE. The State of Alabama.

6 "(31) SUPPLIER. A person who is subject to the
7 general taxing jurisdiction of this state and registered under
8 Section 4101 of the Internal Revenue Code for transactions in
9 motor fuel in the bulk transfer/terminal distribution system
10 and who owns motor fuel in the bulk transfer/terminal system,
11 or a person who receives motor fuel in this state pursuant to
12 a two-party exchange. A terminal operator shall not be
13 considered a supplier based solely on the fact that the
14 terminal operator handles motor fuel consigned to it within a
15 terminal.

16 "(32) UNDYED DIESEL FUEL. Diesel fuel that has not
17 been dyed in accordance with the Internal Revenue Service fuel
18 dyeing provisions.

19 "(b) The definitions set forth in this section shall
20 be deemed applicable whether the words defined are herein used
21 in the singular or plural.

22 "(c) Any pronoun or pronouns used herein shall be
23 deemed to include both singular and plural and to cover all
24 genders."

25 "§8-17-87.

26 "(a) An inspection fee is imposed on the ultimate
27 consumer of gasoline at the rate of two cents (\$.02) per

1 gallon, if the excise tax levied on gasoline under Section
2 40-17-325(a) (1) is refunded by the Department of Revenue
3 unless the ultimate consumer is specifically exempted from the
4 inspection fee by this code. The Department of Revenue is
5 authorized to reduce the excise tax refund by the amount due
6 for the inspection fee.

7 "(b) An inspection fee is imposed on the ultimate
8 consumer of undyed diesel fuel at the rate of two cents (\$.02)
9 per gallon, if the excise tax levied on diesel fuel under
10 Section 40-17-325(a) (2) is refunded by the Department of
11 Revenue unless the ultimate consumer is specifically exempted
12 from the inspection fee by this code or unless the undyed
13 diesel fuel is subject to a reduced rate inspection fee in
14 subsection (i). The Department of Revenue is authorized to
15 reduce the excise tax refund by the amount due for the
16 inspection fee.

17 "(c) An inspection fee of two cents (\$.02) per
18 gallon is imposed on the first sale within this state or upon
19 importation into this state of dyed diesel fuel unless (1) the
20 purchaser or importer is ~~a bonded distributor~~ an inspection
21 fee permit holder, in which case the inspection fee is imposed
22 at the point the ~~bonded distributor~~ inspection fee permit
23 holder makes a sale to a purchaser who is not ~~a bonded~~
24 ~~distributor~~ an inspection fee permit holder, or (2) the
25 purchaser is subject to a reduced rate inspection fee in
26 subsections (e), (f), (g), and (h). The person first selling,
27 the person importing, or the ~~bonded distributor~~ inspection fee

1 permit holder shall collect the fee imposed by this article.
2 If the importer purchases dyed diesel fuel destined for
3 Alabama from a supplier or permissive supplier and the
4 importer is not a ~~bonded distributor~~ an inspection fee permit
5 holder and does not have a valid inspection fee permit issued
6 by the Alabama Department of Revenue, the supplier or
7 permissive supplier shall collect and remit the inspection fee
8 imposed by this article. If the importer brings dyed diesel
9 fuel in from bulk storage outside the terminal system, the
10 importer is responsible for collecting and remitting the
11 inspection fee imposed by this article.

12 "(d) An inspection fee of one cent (\$.01) per gallon
13 is imposed on the first sale within this state or upon
14 importation into this state of dyed kerosene unless (1) the
15 purchaser or importer is a ~~bonded distributor~~ an inspection
16 fee permit holder, in which case the inspection fee is imposed
17 at the point the ~~bonded distributor~~ inspection fee permit
18 holder makes a sale to a purchaser who is not a ~~bonded~~
19 ~~distributor~~ an inspection fee permit holder, or (2) the
20 purchaser is subject to a reduced rate inspection fee in
21 subsections (e), (f), (g), and (h). The person first selling,
22 the person importing, or the ~~bonded distributor~~ inspection fee
23 permit holder shall collect the fee imposed by this article.
24 If the importer purchases dyed kerosene destined for Alabama
25 from a supplier or permissive supplier and the importer is not
26 a ~~bonded distributor~~ an inspection fee permit holder and does
27 not have a valid inspection fee permit issued by the Alabama

1 Department of Revenue, the supplier or permissive supplier
2 shall collect and remit the inspection fee imposed by this
3 article. If the importer brings dyed kerosene in from bulk
4 storage outside the terminal system, the importer is
5 responsible for collecting and remitting the inspection fee
6 imposed by this article.

7 "(e) Dyed diesel fuel and dyed kerosene that is used
8 by the ultimate consumer thereof as motor fuel to operate
9 boats, yachts, ships, or other maritime vehicles, whether such
10 boats, yachts, ships, or other maritime vehicles are used
11 commercially or for pleasure, shall be subject to the reduced
12 inspection fee of one fortieth of \$.01 (\$.00025) per gallon.
13 This reduced rate only applies to purchases by the ultimate
14 consumer directly from ~~a bonded distributor~~ an inspection fee
15 permit holder. The person first selling, the person importing,
16 or the ~~bonded distributor~~ inspection fee permit holder shall
17 collect the fee imposed by this article.

18 "(f) Dyed diesel fuel or dyed kerosene used by the
19 ultimate consumer thereof to propel or operate tractors which
20 are not operated on public highways but which are used
21 exclusively in preparing and cultivating land, harvesting any
22 agricultural commodity, or for other agricultural purposes,
23 including pasture and hay production; provided, however, that
24 the term tractors as used herein shall not include
25 automobiles, trucks, pickups, trailers, semitrailers, or other
26 such vehicles, shall be subject to the reduced inspection fee
27 of one fortieth of \$.01 (\$.00025) per gallon. This reduced

1 rate only applies to purchases by the ultimate consumer
2 directly from ~~a bonded distributor~~ an inspection fee permit
3 holder. The person first selling, the person importing, or the
4 ~~bonded distributor~~ inspection fee permit holder shall collect
5 the fee imposed by this article.

6 "(g) Dyed diesel fuel or dyed kerosene that is of
7 the types customarily used as, and that is intended to be used
8 only as, fuel to propel railroad locomotives, shall be subject
9 to the reduced inspection fee of one fortieth of \$.01
10 (\$.00025) per gallon. This reduced rate only applies to
11 purchases by the ultimate consumer directly from ~~a bonded~~
12 ~~distributor~~ an inspection fee permit holder. The person first
13 selling, the person importing, or the ~~bonded distributor~~
14 inspection fee permit holder shall collect the fee imposed by
15 this article.

16 "(h) Dyed diesel fuel or dyed kerosene used by the
17 ultimate consumer thereof as a solvent or other agent in the
18 treatment or preservation of wood products, shall be subject
19 to the reduced inspection fee of one fortieth of \$.01
20 (\$.00025) per gallon. This reduced rate only applies to
21 purchases by the ultimate consumer directly from ~~a bonded~~
22 ~~distributor~~ an inspection fee permit holder. The person first
23 selling, the person importing, or the ~~bonded distributor~~
24 inspection fee permit holder shall collect the fee imposed by
25 this article.

26 "(i) An inspection fee is imposed on the ultimate
27 consumer of undyed diesel fuel at the rate of one fortieth of

1 \$.01 (\$.00025) per gallon, if the excise tax levied on undyed
2 diesel fuel under Section 40-17-325(a)(2) is refunded by the
3 Department of Revenue and the ultimate consumer specifically
4 used the undyed diesel fuel:

5 "(1) To operate boats, yachts, ships, or other
6 maritime vehicles, whether such boats, yachts, ships, or other
7 maritime vehicles are used commercially or for pleasure;

8 "(2) To propel or operate tractors which are not
9 operated on public highways but which are used exclusively in
10 preparing and cultivating land, harvesting any agricultural
11 commodity, or for other agricultural purposes, including
12 pasture and hay production; provided, however, that the term
13 tractors as used herein shall not include automobiles, trucks,
14 pickups, trailers, semitrailers, or other such vehicles;

15 "(3) To propel railroad locomotives; or

16 "(4) As solvent or other agent in the treatment or
17 preservation of wood products.

18 "The Department of Revenue is authorized to reduce
19 the excise tax refund by the amount due for the inspection
20 fee.

21 "(j) An inspection fee of fifteen cents (\$.15) per
22 gallon is imposed on the person first selling lubricating oil
23 in this state or importing lubricating oil into this state,
24 regardless of whether the excise taxes levied on lube oil
25 under Sections 40-17-171 and 40-17-220 are paid, unless the
26 purchaser or importer is ~~a bonded distributor~~ an inspection
27 fee permit holder, in which case the inspection fee is imposed

1 at the point the ~~bonded distributor~~ inspection fee permit
2 holder makes a sale to a purchaser who is not a ~~bonded~~
3 ~~distributor~~ inspection fee permit holder. The person first
4 selling, the person importing, or ~~bonded distributor~~
5 inspection fee permit holder shall collect the fee imposed by
6 this article.

7 "(k) An inspection fee of two cents (\$.02) per
8 gallon is imposed on removal within this state of gasoline and
9 undyed diesel fuel from the terminal using the terminal rack,
10 other than by bulk transfer, if the supplier sells the
11 gasoline or undyed diesel fuel to a licensed entity which is
12 exempt from the excise tax levied on gasoline or diesel fuel
13 under Section 40-17-325(a); unless the purchaser is the
14 federal government. The supplier shall collect the inspection
15 fee imposed by this article from the purchaser at the time of
16 sale of the gasoline or undyed diesel fuel.

17 "(l) An inspection fee of two cents (\$.02) per
18 gallon is imposed at the time gasoline and undyed diesel fuel
19 is imported into this state, other than by bulk transfer, for
20 delivery to a destination in this state, if the supplier sells
21 the gasoline or undyed diesel fuel to a licensed entity which
22 is exempt from the excise tax levied on gasoline or diesel
23 fuel under Section 40-17-325(a); unless the purchaser is the
24 federal government. The supplier or permissive supplier shall
25 collect the inspection fee imposed by this article from the
26 person who imports the gasoline or undyed diesel fuel into
27 this state.

1 "(m) In each subsequent sale of petroleum products
2 on which the inspection fee has been paid, the amount of the
3 inspection fee shall be added to the selling price so that the
4 inspection fee is paid ultimately by the person using or
5 consuming the petroleum product.

6 "(n) Petroleum products in a refinery, a pipeline, a
7 terminal, or a marine vessel transporting petroleum products
8 to a refinery or terminal is in the bulk transfer/terminal
9 system. Petroleum products in a motor fuel storage facility
10 including, but not limited to, a bulk plant that is not part
11 of a refinery or terminal, in the motor fuel supply tank of
12 any engine or motor vehicle, or in any tank car, rail car,
13 trailer, truck, or other equipment suitable for ground
14 transportation is not in the bulk transfer/terminal system.

15 "(o) The inspection fee provided for in this section
16 is in addition to all other fees and all taxes payable with
17 respect to petroleum products. The inspection fee shall be
18 paid on the net gallons of dyed diesel fuel or dyed kerosene.

19 "(p) Aviation gasoline and aviation jet fuel are
20 exempt from the inspection fee."

21 "§8-17-96.

22 "(a) The supplier or permissive supplier of gasoline
23 or undyed diesel fuel sold to a licensed exempt entity other
24 than the federal government at the rack, or the supplier or
25 permissive supplier selling dyed diesel fuel or dyed kerosene
26 at the rack at an out-of-state terminal to an importer for
27 delivery into Alabama that ~~is not a bonded distributor and~~

1 does not have a valid inspection fee permit issued by the
2 Alabama Department of Revenue, or the person first selling,
3 the person importing, or the person who makes application to
4 become ~~a bonded distributor~~ an inspection fee permit holder of
5 dyed diesel fuel, dyed kerosene, or lubricating oil in this
6 state shall submit an application for an inspection fee permit
7 to the Department of Revenue, which shall be approved by the
8 Department of Revenue. Upon approval of the inspection fee
9 application, ~~the supplier or permissive supplier of gasoline~~
10 ~~or undyed diesel fuel sold to a licensed exempt entity other~~
11 ~~than the federal government by a supplier or permissive~~
12 ~~supplier at the rack, or the supplier or permissive supplier~~
13 ~~selling dyed diesel fuel or dyed kerosene at the rack at an~~
14 ~~out-of-state terminal to an importer for delivery into Alabama~~
15 ~~that is not a bonded distributor and does not have a valid~~
16 ~~inspection fee permit issued by the Alabama Department of~~
17 ~~Revenue, or the first person selling, the person importing, or~~
18 ~~the bonded distributor of dyed diesel fuel, dyed kerosene, or~~
19 ~~lubricating oil shall file with the Department of Revenue a~~
20 ~~bond in the amount of five thousand dollars (\$5,000) prior to~~
21 ~~the issuance of an inspection fee permit. The bond shall be in~~
22 ~~such form and amount as may be approved by the Revenue~~
23 ~~Commissioner, shall be executed by a surety company licensed~~
24 ~~and duly authorized to do business in Alabama, shall be~~
25 ~~payable to the State of Alabama and shall be conditioned upon~~
26 ~~the prompt filing of true reports and the payment by the~~
27 ~~supplier or permissive supplier of gasoline or undyed diesel~~

1 fuel sold to a licensed exempt entity other than the federal
2 government by a supplier or permissive supplier at the rack,
3 or the supplier or permissive supplier selling dyed diesel
4 fuel or dyed kerosene at the rack at an out-of-state terminal
5 to an importer for delivery into Alabama that is not a bonded
6 distributor and does not have a valid inspection fee permit
7 issued by the Alabama Department of Revenue, or the first
8 person selling, the person importing, or the bonded
9 distributor of dyed diesel fuel, dyed kerosene, or lubricating
10 oil to the Department of Revenue of all inspection fees which
11 are imposed by Section 8-17-87 with respect to gasoline,
12 undyed diesel fuel, dyed diesel fuel, dyed kerosene, or
13 lubricating oil, together with all penalties and interest
14 thereon, and generally upon faithful compliance with the
15 provisions of this division. Upon approval of the required
16 bond, the Revenue Department shall issue to the applicant an
17 inspection fee permit. This permit is not transferable and
18 remains in effect until surrendered or canceled.

19 " (b) In the event that liability upon any bond filed
20 under the provisions of this section shall be discharged or
21 reduced, whether by judgment entered, payment made, or
22 otherwise, or if in the opinion of the Revenue Commissioner
23 any surety on the bond theretofore given shall become
24 unsatisfactory or unacceptable, then the Revenue Commissioner
25 may require the filing of a new or additional bond conditioned
26 as hereinabove provided. The surety will remain liable for any

1 liability that has accrued or will accrue prior to the
2 effective date of this Act.

3 ~~"(c) The Department of Revenue shall notify a permit~~
4 ~~holder at his or her last known address by first class U.S.~~
5 ~~mail or, at the option of the Department of Revenue, certified~~
6 ~~mail, return receipt requested, that it is requiring such new~~
7 ~~or additional bond for any reason as provided above, and the~~
8 ~~permit holder, within 30 days from the date such notice is~~
9 ~~mailed by the Department of Revenue, shall (1) file the new or~~
10 ~~additional bond as requested by the Department of Revenue, or~~
11 ~~(2) file a notice of appeal as allowed in Section 40-2A-8. The~~
12 ~~Department of Revenue may immediately cancel the permit upon~~
13 ~~the expiration of the 30-day appeal period set out in Section~~
14 ~~40-2A-8 if the permit holder fails to either provide the new~~
15 ~~or additional bond requested by the Department of Revenue or~~
16 ~~timely appeal under Section 40-2A-8.~~

17 ~~"(d) The total amount of bond or bonds to be given~~
18 ~~by any supplier, permissive supplier, importer, first seller,~~
19 ~~or bonded distributor under this section shall in no event be~~
20 ~~less than five thousand dollars (\$5,000); except that the~~
21 ~~Revenue Commissioner may require such additional bond as may~~
22 ~~be deemed necessary to insure the prompt payment of all~~
23 ~~inspection fees on the sale of gasoline or undyed diesel fuel~~
24 ~~sold to exempt entities, other than the federal government, by~~
25 ~~the supplier or permissive supplier at the terminal rack, or~~
26 ~~the supplier or permissive supplier selling dyed diesel fuel~~
27 ~~or dyed kerosene at the rack at an out-of-state terminal to an~~

1 ~~importer for delivery into Alabama that is not a bonded~~
2 ~~distributor and does not have a valid inspection fee permit~~
3 ~~issued by the Alabama Department of Revenue, or on the sale of~~
4 ~~dyed diesel fuel, dyed kerosene, or lubricating oil due, or to~~
5 ~~become due, the state by the supplier or permissive supplier~~
6 ~~of gasoline or undyed diesel fuel to exempt entities, other~~
7 ~~than the federal government, by the supplier or permissive~~
8 ~~supplier at the terminal rack, or the supplier or permissive~~
9 ~~supplier selling dyed diesel fuel or dyed kerosene at the rack~~
10 ~~at an out-of-state terminal to an importer for delivery into~~
11 ~~Alabama that is not a bonded distributor and does not have a~~
12 ~~valid inspection fee permit issued by the Alabama Department~~
13 ~~of Revenue, or by the person first selling, the person~~
14 ~~importing, or the bonded distributor of dyed diesel fuel, dyed~~
15 ~~kerosene, or lubricating oil.~~

16 ~~"(e) Any surety on any bond furnished by the~~
17 ~~supplier or permissive supplier of gasoline or undyed diesel~~
18 ~~fuel sold to exempt entities, other than the federal~~
19 ~~government by the supplier or permissive supplier at the~~
20 ~~terminal rack, or the supplier or permissive supplier selling~~
21 ~~dyed diesel fuel or dyed kerosene at the rack at an~~
22 ~~out-of-state terminal to an importer for delivery into Alabama~~
23 ~~that is not a bonded distributor and does not have a valid~~
24 ~~inspection fee permit issued by the Alabama Department of~~
25 ~~Revenue, or by the person first selling, the person importing,~~
26 ~~or the bonded distributor of dyed diesel fuel, dyed kerosene,~~
27 ~~or lubricating oil, as above provided, shall be released and~~

1 ~~discharged from any and all liability to the State of Alabama~~
2 ~~accruing on such bond after the expiration of 30 days from the~~
3 ~~date upon which surety shall have filed with the Department of~~
4 ~~Revenue written request to be released and discharged;~~
5 ~~provided, however, that such request shall not operate to~~
6 ~~relieve, release, or discharge such surety from any liability~~
7 ~~already accrued or which shall accrue before the expiration of~~
8 ~~such 30-day period. The Revenue Commissioner shall promptly,~~
9 ~~upon receipt of notice of such request, notify the supplier or~~
10 ~~permissive supplier of gasoline or undyed diesel fuel to~~
11 ~~exempt entities, other than the federal government, or the~~
12 ~~supplier or permissive supplier selling dyed diesel fuel or~~
13 ~~dyed kerosene at the rack at an out-of-state terminal to an~~
14 ~~importer for delivery into Alabama that is not a bonded~~
15 ~~distributor and does not have a valid inspection fee permit~~
16 ~~issued by the Alabama Department of Revenue, or the person~~
17 ~~first selling, the person importing, or the bonded distributor~~
18 ~~of dyed diesel fuel, dyed kerosene, or lubricating oil who~~
19 ~~furnished such bond of the request of the surety on the bond~~
20 ~~and, unless such supplier or permissive supplier of gasoline~~
21 ~~or undyed diesel fuel to exempt entities, other than the~~
22 ~~federal government, or the supplier or permissive supplier~~
23 ~~selling dyed diesel fuel or dyed kerosene at the rack at an~~
24 ~~out-of-state terminal to an importer for delivery into Alabama~~
25 ~~that is not a bonded distributor and does not have a valid~~
26 ~~inspection fee permit issued by the Alabama Department of~~
27 ~~Revenue, or the person first selling, the person importing, or~~

1 ~~the bonded distributor of dyed diesel fuel, dyed kerosene, or~~
2 ~~lubricating oil shall file, on or before the expiration of~~
3 ~~such 30-day period, with the Department of Revenue a new bond~~
4 ~~in the amount and form hereinbefore in this section provided,~~
5 ~~the Revenue Commissioner shall cancel the permit of the~~
6 ~~supplier or permissive supplier of gasoline or undyed diesel~~
7 ~~fuel to exempt entities, other than the federal government, or~~
8 ~~the supplier or permissive supplier selling dyed diesel fuel~~
9 ~~or dyed kerosene at the rack at an out-of-state terminal to an~~
10 ~~importer for delivery into Alabama that is not a bonded~~
11 ~~distributor and does not have a valid inspection fee permit~~
12 ~~issued by the Alabama Department of Revenue, or the person~~
13 ~~first selling, person importing, or the bonded distributor of~~
14 ~~dyed diesel fuel, dyed kerosene, or lubricating oil in~~
15 ~~accordance with the provisions of Section 40-2A-8."~~

16 "§8-17-97.

17 "(a) It shall be the duty of the person first
18 selling dyed diesel fuel, dyed kerosene, or lubricating oil in
19 this state or importing dyed diesel fuel, dyed kerosene, or
20 lubricating oil into the state, on which an inspection fee is
21 due to collect and pay such inspection fee to the Department
22 of Revenue each month in respect of all dyed diesel fuel, dyed
23 kerosene, or lubricating oil sold or imported in the state
24 during the preceding month unless the purchaser is ~~a bonded~~
25 ~~distributor~~ an inspection fee permit holder.

26 "(b) It shall be the duty of the supplier or
27 permissive supplier to collect and pay the inspection fee to

1 the Department of Revenue each month in respect of all dyed
2 diesel fuel or dyed kerosene destined for Alabama that is sold
3 to an importer that ~~is not a bonded distributor~~ and does not
4 have a valid inspection fee permit issued by the Alabama
5 Department of Revenue.

6 "(c) It shall be the duty of the supplier or
7 permissive supplier to collect the inspection fee imposed by
8 this article from the licensed exempt entity unless the
9 licensed exempt entity is an entity of the federal government
10 on sales at the terminal rack and remit payment each month in
11 respect of all gasoline or undyed diesel fuel sold in the
12 state during the preceding month to licensed exempt entities
13 other than the federal government.

14 "(d) Each supplier, permissive supplier, importer,
15 first seller, or ~~bonded distributor~~ inspection fee permit
16 holder shall file the monthly returns and monthly remittance,
17 in a format prescribed by the Revenue Commissioner, on or
18 before the 20th day of each calendar month for the preceding
19 month with the Department of Revenue. The taxpayer is required
20 to file an electronic report through the Department of
21 Revenue's electronic filing system.

22 "(e) The inspection fee provided for in this section
23 shall be paid but once with respect to the same product; but
24 in the event any person fails to make the required electronic
25 report or payment as herein provided on or before the date
26 such payment is due, the Revenue Commissioner shall add to the
27 inspection fee already due interest as prescribed in Section

1 40-1-44 and any applicable penalties as prescribed in Chapter
2 2A of Title 40. The Revenue Commissioner shall then proceed to
3 collect the inspection fee, together with the interest and
4 penalties, in accordance with the provisions of Title 40.

5 "(f) The inspection fee, interest, and any penalties
6 added thereto shall constitute and operate as a lien at all
7 times until paid upon any petroleum products sold, offered for
8 sale, stored, or used in the state by the person liable for
9 the fee, and shall be immediately enforceable by the Revenue
10 Commissioner in accordance with established collection
11 procedures of the Department of Revenue.

12 "(g) The Revenue Commissioner shall have authority
13 to adopt and promulgate reasonable rules and regulations to
14 effectuate the evident intent and purpose of this section with
15 respect to reporting, collection, remittance, and payments of
16 the petroleum products inspection fees imposed under this
17 article which shall not conflict with any of the express
18 provisions and requirements of this section."

19 "§8-17-99.

20 "(a) The person first selling, the person importing,
21 or the ~~bonded distributor~~ inspection fee permit holder of dyed
22 diesel fuel or dyed kerosene may take a deduction on the
23 monthly return for sales of dyed diesel fuel or dyed kerosene
24 to the following:

25 "(1) United States Government.

26 "(2) Exports by the ~~bonded distributor~~ inspection
27 fee permit holder.

1 "(3) Sales from one Alabama ~~bonded distributor~~
2 inspection fee permit holder to another Alabama ~~bonded~~
3 ~~distributor~~ inspection fee permit holder.

4 "(4) Sales to the ultimate consumer for use in
5 firing steam boilers or combustion generating turbines by
6 compression.

7 "(b) The person first selling, the person importing,
8 or the ~~bonded distributor~~ inspection fee permit holder of
9 lubricating oil may take a deduction on the monthly return for
10 sales of lubricating oil to the following:

11 "(1) United States Government.

12 "(2) Exports by the ~~bonded distributor~~ inspection
13 fee permit holder.

14 "(3) Sales from one Alabama ~~bonded distributor~~
15 inspection fee permit holder to another Alabama ~~bonded~~
16 ~~distributor~~ inspection fee permit holder."

17 "§8-17-101.

18 "(a) In accordance with the provisions of Chapter 2A
19 of Title 40, the Department of Revenue may cancel the
20 inspection fee permit required under Section 8-17-96, upon
21 written notice sent to the permit holder's last known address,
22 as it appears in the Department of Revenue's files, for any of
23 the following reasons:

24 "(1) Filing by the permit holder of a false report
25 of the data or information required by this article.

1 "(2) Failure, refusal, or neglect of the permit
2 holder to file a report or to provide any information required
3 by this article.

4 "(3) Failure of the permit holder to pay the full
5 amount of all excise taxes and inspection fees due or to pay
6 any penalties or interest due.

7 "(4) Failure of the permit holder to keep accurate
8 records of the quantities of petroleum products received,
9 produced, refined, manufactured, compounded, sold, imported,
10 or used in Alabama.

11 "~~(5) Failure to file a new or additional surety bond~~
12 ~~upon request of the Department of Revenue pursuant to Section~~
13 ~~40-17-96.~~

14 "~~(6)~~ (5) Conviction of the permit holder or a
15 principal of the permit holder for any act prohibited under
16 this article.

17 "~~(7)~~ (6) Failure, refusal, or neglect of a permit
18 holder to comply with any other provision of this article or
19 any rule promulgated pursuant to this article.

20 "~~(8)~~ (7) Having a motor fuel license or registration
21 issued by this state or another state canceled for cause.

22 "~~(9)~~ (8) For any change in the ownership or control
23 of the business.

24 "(b) Upon cancellation of any permit for any cause
25 listed above, the inspection fee levied under this article
26 becomes due and payable on all untaxed petroleum products held
27 in storage or otherwise in the possession of the permit holder

1 and all petroleum products sold, delivered, imported, or used
2 prior to the cancellation on which the fee has not been paid.

3 "(c) The permit can be canceled upon the written
4 request of the permit holder."

5 Section 2. All laws or parts of laws which conflict
6 with this act are repealed.

7 Section 3. This act shall become effective
8 immediately upon its passage and approval by the Governor, or
9 its otherwise becoming law.