

SPECIAL FUEL TAX AMENDMENTS

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Ben C. Ferry

This act modifies the Revenue and Taxation Code by amending reporting and special fuel user permit requirements for certain users of special fuel. This act exempts a user of special fuel from reporting requirements if the tax has already been paid and or the tax is paid under the interstate fuel tax agreement. This act takes effect January 1, 2003.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

59-13-303, as last amended by Chapter 53, Laws of Utah 1994

59-13-305, as last amended by Chapter 271, Laws of Utah 1997

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-13-303** is amended to read:

59-13-303. Bond requirements -- Special fuel permits -- Application -- Revocation of permits under certain circumstances.

(1) The commission may require a user to furnish a bond.

(2) (a) Except as provided in Subsection (2)(b), each user shall, prior to the use of the fuel in a qualified motor vehicle, apply to the commission on forms prescribed by the commission for a special fuel permit. When the application is approved by the commission, a single special fuel permit shall be issued to the user.

(b) In place of the special fuel permit issued under Subsection (2)(a), a user may purchase a special fuel trip permit. A special fuel trip permit is valid for 96 hours or until the qualified vehicle leaves the state, whichever occurs first.

(3) A special fuel permit number shall be assigned to each licensed user and is nontransferable and valid until surrendered by the user for nonuse or until revoked by the commission.



28 (4) The special fuel user permit expires December 31 of each year. Special fuel permits
29 for the calendar year shall be honored until February 28 of the following year. An application shall
30 be filed with the commission each year for a new special fuel permit for vehicles operated by a
31 licensed user.

32 (5) (a) The special fuel vehicle permit shall be kept in the passenger compartment of each
33 vehicle, or as otherwise authorized by the commission.

34 (b) A user that does not comply with the requirements of this section may be required to
35 purchase a special fuel trip permit.

36 (6) The commission may revoke the special fuel permit issued under this section from any
37 person refusing or neglecting to comply with this part.

38 (7) Any user reporting Utah special fuel tax liability under Part 5 is exempted from the
39 permit requirements of this section.

40 Section 2. Section **59-13-305** is amended to read:

41 **59-13-305. User report required -- Contents of report -- Signature -- Penalties --**
42 **Exemptions from requirements -- Change of exemption status -- Duty to notify commission.**

43 (1) Unless exempted by Subsection [~~(4)~~ or ~~(6)~~] (5), each user shall file with the
44 commission, on or before the last day of the month following the end of a reporting period, a report
45 on forms prescribed by the commission showing:

46 (a) the amount of fuel purchased and the amount of fuel used during the preceding
47 reporting period by that user in the state; and

48 (b) any other information the commission may require to carry out the purposes of this
49 part.

50 (2) The report shall be signed by the user or a responsible representative. This signature
51 need not be notarized, but when signed is considered to have been made under oath.

52 (3) A penalty is imposed under Section 59-1-401 for failure to file reports as provided in
53 this section for each report not filed, regardless of the imposition of other penalties under this part.

54 [~~(4) (a) Each user that has a registered special fuel-powered motor vehicle other than a~~
55 ~~qualified motor vehicle and does not have facilities for bulk storage of special fuels is exempt from~~
56 ~~the requirements of Subsections (1) and (2) and Section 59-13-303 for that motor vehicle.]~~

57 [~~(b) This exemption applies only when the user retains records verifying that all special~~
58 ~~fuel purchases for the exempt vehicle were taxed as required under this part.]~~

59 ~~[(5)]~~ (4) (a) Each user that has a registered special fuel-powered motor vehicle other than
60 a qualified motor vehicle and has facilities for bulk storage of special fuels shall declare special
61 fuel tax liability for any nonqualified motor vehicle on the user report required by Subsection (1).

62 (b) Credit shall be given on the report for any special fuel taxes paid on purchases for any
63 nonqualified vehicle. Purchase records must be maintained to substantiate the amount of any
64 credit claimed.

65 ~~[(6) A]~~ (5) (a) The following users are exempt from the filing requirements of Subsections
66 (1) and (2) for the motor vehicles specified:

67 (i) a user who purchases a special fuel trip permit for all of its operations for qualified
68 vehicles for the reporting period, except a user having a special fuel permit [pursuant to] under
69 Subsection 59-13-303(2)(a)[, is exempt from the filing requirements of Subsections (1) and (2)];

70 (ii) a user that has a registered special fuel-powered motor vehicle other than a qualified
71 motor vehicle and does not have facilities for bulk storage of special fuels;

72 (iii) a user of special fuel, for which the tax imposed by this chapter has already been paid;

73 or

74 (iv) a user that has a motor vehicle powered by special fuel for which the tax is paid under
75 an interstate fuel tax agreement under Section 59-13-502.

76 (b) (i) The exemption under Subsection (5)(a)(iii) applies only when the user retains
77 records verifying that all special fuel purchases for the exempt vehicle were taxed as required
78 under this part.

79 (ii) The commission may at the time of application or renewal of a special fuel permit
80 under Section 59-13-303 require that the user certify:

81 (A) that the user qualifies for an exemption under Subsection (5)(a)(iii); and

82 (B) whether the user has facilities for bulk storage of special fuel.

83 (c) A user of a motor vehicle that qualifies for an exemption under Subsections (5)(a)(ii)
84 and (iii) is also exempt from the requirements of Subsection 59-13-303(1) for that motor vehicle.

85 Section 3. **Effective date.**

86 This act takes effect on January 1, 2003.

Legislative Review Note
as of 1-3-02 11:19 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel