

## STATEMENT OF PURPOSE

### RS23267

The intent of this legislation is to consolidate and streamline the violations, penalties, and appeals provisions in the Motor Fuels Act and clarifies language so that the term "dyed diesel" means diesel dyed or marked at a refinery or terminal to prevent dying not allowed by federal law. Violation and penalty provisions are scattered throughout the Motor Fuels Act. Duplicate penalties exist for the same violation and one penalty section is worded so poorly as to imply that buying gasoline from a gas station could be a misdemeanor. The proposed legislation reorganizes and consolidates five separate penalty and violation statutes into two violation statutes and one penalty statute and clarifies language relating to the purchase and sale of motor fuels. Likewise, appeals procedures are scattered throughout the fuels tax statutes and inconsistencies exist between what can be appealed and how the appeal procedures are written. The proposal combines fuel tax appeals processes in one code section to make the fuels tax act easier to read and more user-friendly. Also, an administrative review process is added so that if the Tax Commission denies an application for a distributor license the taxpayer may appeal that decision to the Commissioners. Under section 63-2402 relating to the imposition of tax, the fuel tax imposed on diesel does not apply to diesel that is dyed or marked at a refinery or terminal under the provisions of the Internal Revenue Code and regulations or the clean air act and regulations and states that an exception is allowed in section 63-2425. The reference to section 63-2425 is not necessary and may be confusing to taxpayers. The proposal strikes the reference to Section 63-2425. Also, it clarifies section 63-2425 so that the reference to dyed diesel means diesel that has been marked or dyed at a refinery or terminal to prevent dying not allowed by federal law.

### FISCAL NOTE

No effect on state revenues.

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