

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-8-1-66

Rule Title: Inspection Fee Bond Calculation

XX New; ___ Amend; ___ Repeal; ___ Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A


Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have any economic impact? Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer 

Date 1/12/16

APA-6
10/96

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-8-1-.66

Rule Title: Inspection Fee Bond Calculation

X New _____ Amend _____ Repeal _____ Adopt by Reference _____

- NO This rule has no economic impact.
 YES This rule has an economic impact, as explained below:

1. **NEED/EXPECTED BENEFIT OF RULE:**
This rule will establish a consistent method of calculating the inspection fee bond amount if the Department determines that the bond needs to be increased above \$5,000.00.
2. **COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:**
This rule will establish a consistent method of calculating the inspection fee bond amount if the Department determines that the bond needs to be increased above \$5,000.00.
3. **EFFECT OF THIS RULE ON COMPETITION:**
This rule will establish a consistent method of calculating the inspection fee bond amount if the Department determines that the bond needs to be increased above \$5,000.00.
4. **EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:**
If the bonded distributor has to post an additional bond with the Department, he could have to pay an increased premium for the surety bond.
5. **EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:**
N/A
6. **SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:**

Section 8-17-91 provides for an administrative fee for the Department.

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:
This rule will only impact the inspection fee bonded distributors who need an additional bond due to the fact that the current bond is insufficient.
8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:
N/A
9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:
N/A
10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:
N/A
11. OTHER COMMENTS:
N/A

APA-2
11/96

**ALABAMA DEPARTMENT OF REVENUE
Business License Tax Division**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-8-1-.02 Application of Excise Tax on Blendstocks

INTENDED ACTION: Amend Rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to only reference the Code Section for the definitions.

RULE NO. & TITLE

810-8-1-.66 Inspection Fee Bond Calculation

INTENDED ACTION: Adopt rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to clarify the calculation of the additional inspection fee bond amount as referenced in Section 8-17-96.

810-8-1-.68 Electronic Filing of Inspection Fee Return

INTENDED ACTION: Adopt rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to establish the conditions that must be met in order to receive a waiver for electronic filing of the inspection fee return and establishes the requirements for timely electronically filing the return and remitting the electronic payment.

810-8-1-.69 Inspection Fee Back Up Tax Report

INTENDED ACTION: Adopt rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to clarify when a backup tax return is due on dyed diesel fuel, dyed kerosene, and/or lubricating oil.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **2:00 p.m. on Thursday, April 7, 2016, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at <http://revenue.alabama.gov/analysis/upcoming-rule-hearings.cfm>

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time following publication of the notice up until the conclusion of the hearing. Interested parties may also appear at the hearing to present their views.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Thursday, April 7, 2016

CONTACT PERSON AT AGENCY:

Timothy Sanders
Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380



Michael D. Gamble, Secretary
Alabama Department of Revenue

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810-8-1-.66 Inspection Fee Bond Calculation (NEW RULE)

(1) In accordance with Section 8-17-96, Code of Alabama 1975, suppliers or permissive suppliers selling gasoline or undyed diesel fuel to a licensed exempt entity other than the federal government, or suppliers or permissive suppliers selling dyed diesel fuel or dyed kerosene at the rack at an out-of-state terminal to an importer for delivery into Alabama that is not a bonded distributor and does not have a valid inspection fee permit issued by the Alabama Department of Revenue, or the person first selling, the person importing, or anyone who makes application to become a bonded distributor for dyed diesel fuel, dyed kerosene, or lubricating oil must post a surety bond for the minimum amount referenced in Section 8-17-96(d), Code of Alabama 1975.

(2) Section 8-17-96(d), Code of Alabama 1975, allows the Revenue Commissioner the authority to require any additional bond amount to insure the prompt payment of all inspection fees due to the state.

(3) The additional bond amount will be computed based upon twice the average monthly liability. (average monthly gallons for all product types * inspection fee rates based upon product type * 2 = additional bond amount). Bond will never be less than \$5,000.00.

(4) This regulation will become operative on October 1, 2016, to coincide with the effective date of Act 2015-54.

Author: Bonita Calhoun

Authority: Sections 40-2A-7(a)(5), 8-17-84, and 8-17-96, Code of Alabama 1975.

History: