

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-.28

Rule Title: Distributor's License

 New Amend X Repeal Adopt by Reference

- NO
 YES

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
3. EFFECT OF THIS RULE ON COMPETITION:
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
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:
8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND

**BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE
BENEFITS AND BURDEN COMPARISON:**

9. **THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC
HEALTH:**

10. **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH
IF THE RULE IS NOT IMPLEMENTED:**

11. **OTHER COMMENTS:**

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

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-8-1-.02	Fuel and Mileage Reporting in a Lessee-Lessor Arrangement will be the Responsibility of the Lessor
810-8-1-.03	Interstate Motor Carrier Fuel Tax Refund
810-8-1-.05	Motor Fuel Marker Enforcement
810-8-1-.07	IMC Fuel Permit Fees
810-8-1-.08	Miles Per Gallon Standard
810-8-1-.09	Purchase Invoice Requirements
810-8-1-.10	Quarterly Fuel Tax Return to be Filed with the Department of Revenue

INTENDED ACTION: Repeal the above rules

SUBSTANCE OF PROPOSED ACTION: The department proposes to repeal the above rules due to the fact that they were originally adopted under the Interstate Motor Carrier Tax Program and that program has been replaced by the International Fuel Tax Agreement (IFTA); therefore, these rules are no longer necessary.

RULE NO. & TITLE

810-8-1-.15	Additional Motor Fuel Tax Rate
810-8-1-.16	Summary of Tax Rates for Motor Fuels Used in Motor Vehicles for Highway Operation
810-8-1-.25	Summary of the Rates Applying to State and Local Government

INTENDED ACTION: Repeal the above rules

SUBSTANCE OF PROPOSED ACTION: The department proposes to repeal the above rules due to the fact that they are no longer necessary.

RULE NO. & TITLE

810-8-1-.01	Eligibility for Consideration of an Applicant for a Wholesale Gasoline License
810-8-1-.06	Statement of Gross Sales Exclusion
810-8-1-.18	Procedure for Issuing Refund of Gasoline and Motor Fuel Excise Taxes for Agricultural Purposes and for the Delivery of Biomass Products
810-8-1-.19	Tax-Free Sales of Motor Fuel
810-8-1-.21	Undyed Motor Fuel Used Exclusively for "Off-Road Vehicles" and "Off-Road Equipment"
810-8-1-.24	Credit Card Sales at Retail Outlets to Exempt Entities
810-8-1-.28	Distributor's License
810-8-1-.48	Termination of License
810-8-1-.49	Revocation of License
810-8-1-.51	Denial of License
810-8-1-.52	Returns and Payments, Monthly Report of Distributors
810-8-1-.55	Purchase Records of a Licensed Distributor
810-8-1-.61	Penalty for Sale or Use of Motor Fuel Without Payment of Motor Fuel Tax - Dyed Motor Fuel
810-8-1-.62	Stated and Uniform Policy Pertaining to the Exemption of Certain Taxpayers from State Motor Fuel Taxes

INTENDED ACTION: Repeal the above rules

SUBSTANCE OF PROPOSED ACTION: Due to the passage of the Alabama Terminal Excise Tax Act (Act 2011-565), the department finds it necessary to repeal the above rules as they are no longer necessary.

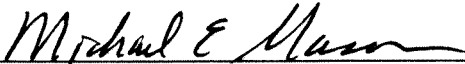
TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at 10:00 a.m. on Wednesday, May 9, 2012, in the Office of the Legal Division, Room 3114, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at www.revenue.alabama.gov/rulehear.html.

All interested parties may present their views in writing to the **Deputy Commissioner of the Alabama Department of Revenue, Room 4112, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
Wednesday, May 9, 2012

CONTACT PERSON AT AGENCY:

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


Michael E. Mason, Deputy Commissioner
Alabama Department of Revenue

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810-8-1-.28 Distributor's License. **(REPEALED)**

(1) A distributor is defined as any person who acquires ownership of motor fuel directly from a supplier at or from a barge, barge line, pipeline terminal, terminal, refinery, or imports motor fuel into this state. The procedure for obtaining a motor fuels license includes making application and obtaining a surety bond as described below:

(a) A distributor makes application for a license upon forms prepared by the department for a license.

(b) The application is accompanied by a filing fee of five dollars (\$5.00).

(c) Upon receipt and approval of the application by the department, the distributor is notified by the department of the amount of the surety bond along with forms prepared by the department for obtaining the bond.

(d) Upon the department's receipt of the bond, a motor fuels license will be issued to the distributor with a supply of monthly motor fuels reports.

(2) Minimum surety bonds as in paragraph (c) above are one thousand dollars (\$1,000.00); however, the commissioner has discretion to require any additional amount of bond to assure the collection from the distributor of all excise taxes due the state.

(3) A guide for determining the amount of a surety bond is the number of gallons of undyed motor fuel received each month and therefore subject to excise tax shown as an estimate on a distributor's application for a motor fuels license. Computation of a bond's value uses a formula doubling estimated receipts:

Estimates of monthly taxable gallons x excise tax rate x 2 = amount of bond (not less than \$1,000.00).

(4) A licensed distributor conducting business at different locations requires one license, if corporate offices where monthly motor fuels reports are prepared are at the same location.

(5) The following licenses allow a distributor to purchase tax-free motor fuel and to sell or distribute motor fuels to others:

(a) Motor fuel license designated by letters "MF" permits the tax-free purchase, sale and distribution of motor fuel only.

(b) Gasoline license designated by the letter "G" permits the tax-free purchase, sale and distribution of gasoline, aviation fuel, and motor fuel.

(6) The license is a personal privilege and is not transferable.

Author: Steve DuBose
Authority: Sections 40-17-18, 40-17-2, 40-17-14, 40-17-221(b) and 40-17-152, Code of Alabama 1975)
History: Amendment filed with LRS January 19, 1996. Certification filed with LRS April 29, 1996, effective date June 3, 1996.