

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-8-1-.67

Rule Title: Inspection Fee Floor-Stocks Return

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 3/18/16

APA-6
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No:

Rule Title: Inspection Fee Floor-Stocks Return

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:**
Since the excise tax on gasoline is at the rack, any bonded distributor with the Department of Agriculture and Industries that has gasoline stored in a storage facility below the rack on September 30, 2016 will owe the \$.02 excise tax that will be effective on October 1, 2016 for the gallons that are in storage.
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 clarifies who is responsible for filing the floor-stocks return and remitting payment, the due date for the return and payment, and what is considered taxable gallons.
3. **EFFECT OF THIS RULE ON COMPETITION:**
N/A
4. **EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:**
Act 2015-54 is not a tax increase, the administration of the inspection fee is being transferred to the Department of Revenue. This tax will ultimately be charged to the retail dealer and then passed on to the ultimate consumer.
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:**
The tax is due on gasoline that is in a below the rack storage facility as if October 1, 2016; however, the return and payment of this tax is not due until December 31, 2016. This gives the bonded distributor time to sell the product and collect the tax from the retail outlet.
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-.67 Inspection Fee Floor-Stocks Return

INTENDED ACTION: Adopt rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to clarify that all bonded distributors, permitted under the old inspection fee law, that have gasoline in a below rack storage facility shall file a floor-stocks return and remit the \$.02 excise tax due that is effective October 1, 2016 on the gasoline no later than December 31, 2016.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **1:30 p.m. on Thursday, May 19, 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, May 19, 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-.67 Inspection Fee Floor-Stocks Return. (NEW RULE)

(1) All bonded distributors, permitted under Section 8-17-80, Code of Alabama 1975, with the Alabama Department of Agriculture and Industries as the first sellers, who have gasoline in storage below the rack on which the Alabama inspection fee has not been paid as of September 30, 2016 must file an inspection fee floor-stocks return showing the number of gallons of untaxed gasoline and remit payment due on or before December 31, 2016.

(2) 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 8-17-95, Code of Alabama 1975.

History: