TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENU	JE	
Rule Nos. 810-8-104		
Rule Title: Sales of Motor Fuel in the Bulk Transfer/Te	erminal System	
New;XX _Amend;Repeal;Adopt b	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	
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Does the proposed rule have any economic impact?	No	
If the proposed rule has an economic impact, the propose note prepared in accordance with subsection (f) of Sectio	ed rule is required to be acc on 41-22-23, <u>Code of Alabam</u>	ompanied by a fiscal a 1975.
***********************************	******	***
Certification of Authorized Official		попоставляний в в в
certify that the attached proposed rule has been propo Chapter 22, Title 41, Code of Alabama 1975 and that it the Administrative Procedure Division of the Legislative R	conforms to all applicable fi	the requirements of ling requirements of
Signature of certifying officer	0-26	
Date 5/21/13		noneman .

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	04			
Rule Title:	Sales	s of Moto	or Fuel in the Bu	ulk Transfer/Terminal S	system
**************************************	New	Х	Amend	Repeal	Adopt by Reference
● NO ○ YES			s no econom s an econom	ic impact. ic impact, as explai	ned below:
1.	NEE	D/EXPI	ECTED BENE	EFIT OF RULE:	
2.	EFF10	CIENT	, AND FEASI	RULE AND WHY RUBLE MEANS FOR A	JLE IS THE MOST EFFECTIVE ALLOCATING RESOURCES :
3.	EFFE	ECT OF	THIS RULE	ON COMPETITION	N:
4.	THE	ECT OF GEOG EMEN	RAPHICAL A	ON COST OF LIVI REA WHERE THE	NG AND DOING BUSINESS IN RULE IS TO BE
5.	EFFE AREA	CT OF A HERI	THIS RULE THE RULE	ON EMPLOYMEN' IS TO BE IMPLEM	T IN THE GEOGRAPHICAL ENTED:
6.			F REVENUE G THIS RULE		IMPLEMENTING AND
7.	AFFE	CTED	PERSONS, I	INCLUDING ANALY	MIC IMPACT OF THIS RULE ON YSIS OF PERSONS WHO WILL L BENEFIT FROM THE RULE:
8.	UNCE	ERTAIN	NTIES ASSO	CIATED WITH THE	E 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-.04

Sales of Motor Fuel in the Bulk Transfer/Terminal System

INTENDED ACTION:

Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to remove references to permissive suppliers.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at 10:00 a.m. on Friday, July 12, 2013, Room P-104, Plaza Level, 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 Secretary of the Alabama Department of Revenue, Room 4131, 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:

Friday, July 12, 2013

CONTACT PERSON AT AGENCY:

Patricia Toles 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-.04 Sales of Motor Fuel in the Bulk Transfer/Terminal System.

- (1) In accordance with Section 40-17-326(c), Code of Alabama 1975, tax is imposed on the sale or transfer of motor fuel in the bulk transfer/terminal system in Alabama by an Alabama supplier or permissive supplier to a person who does not hold an Alabama supplier's or permissive supplier's license. The supplier shall collect the tax imposed from the person who orders the sale or transfer in the bulk transfer/terminal system. A bulk transfer/terminal system is a motor fuel distribution system consisting of refineries, pipelines, marine vessels, and terminals approved by the Internal Revenue Service. Motor fuel in a refinery, pipeline, terminal, or marine vessel transporting motor fuel to a refinery or terminal is in the bulk transfer/terminal system provided all operators are licensed and registered as required by the Internal Revenue Service.
- (2) Based upon the definition of bulk transfer/terminal system as provided in Section 40-17-322, pipelines are considered to be a part of the bulk transfer/terminal system. Therefore, a tax-free transaction can only occur in the pipeline if all parties involved in the transaction have valid Alabama supplier's or permissive supplier's licenses. Otherwise, the tax is to be collected from the person ordering the sale or transfer in the bulk transfer/terminal system.

(3) This regulation will become effective on October 1, 2012, to coincide with the effective date of Act 2011-565, known as the Alabama Terminal Excise Tax Act.

Author: Bonita Calhoun Steve DuBose

Authority: Sections 40-2A-7(a)(5), 40-17-322, 40-17-323, and 40-17-326(c),

Code of Alabama 1975

History: New rule: Filed June 29, 2012, effective August 3, 2012.