

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 481

BY TRANSPORTATION AND DEFENSE COMMITTEE

AN ACT

RELATING TO THE TAXATION UPON MOTOR FUEL; AMENDING SECTION 63-2402, IDAHO CODE, TO REVISE THE TAX RATE UPON MOTOR FUEL OVER A TWO YEAR PERIOD.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 63-2402, Idaho Code, be, and the same is hereby amended to read as follows:

63-2402. IMPOSITION OF TAX UPON MOTOR FUEL. (1) A tax is hereby imposed upon the distributor who receives motor fuel in this state. The legal incidence of the tax imposed under this section is borne by the distributor. The tax becomes due and payable upon receipt of the motor fuel in this state by the distributor unless such tax liability has previously accrued to another distributor pursuant to this section. The tax shall be imposed without regard to whether use is on a governmental basis or otherwise, unless exempted by this chapter.

(2) The tax imposed in this section shall be at the rate of twenty-five ~~seven~~ cents (25~~7~~¢) per gallon of motor fuel received for the period from July 1, 2014, until June 30, 2015, at the rate of twenty-nine cents (29¢) per gallon of motor fuel received for the period from July 1, 2015, until June 30, 2016, and at the rate of thirty-one cents (31¢) per gallon of motor fuel received on and after July 1, 2016. This tax shall be subject to the exemptions, deductions and refunds set forth in this chapter.

(3) Nothing in this chapter shall prohibit the distributor who is liable for payment of the tax imposed under subsection (1) of this section from including as part of the selling price an amount equal to such tax on motor fuels sold or delivered by such distributor; provided however, that nothing in this chapter shall be deemed to impose tax liability on any person to whom such fuel is sold or delivered except as provided in subsection (6) of this section.

(4) Any person coming into this state in a motor vehicle may transport in the manufacturer's original tank of that vehicle, for his own use only, not more than thirty (30) gallons of motor fuel for the purpose of operating that motor vehicle, without complying with the provisions of this chapter.

(5) The tax imposed in this section does not apply to:

(a) Special fuels that have been dyed at a refinery or terminal under the provisions of 26 U.S.C. section 4082 and regulations adopted thereunder, or under the clean air act and regulations adopted thereunder except as provided in section 63-2425, Idaho Code; or

(b) Special fuel dispensed into a motor vehicle which uses gaseous special fuels and which displays a valid gaseous special fuels permit under section 63-2424, Idaho Code; or

1 (c) Special fuels that are gaseous special fuels, as defined in section
2 63-2401, Idaho Code, except that part thereof that is delivered into the
3 fuel supply tank or tanks of a motor vehicle; or

4 (d) Aircraft engine fuel subject to tax under section 63-2408, Idaho
5 Code.

6 (6) Should the distributor of first receipt be exempt from imposition
7 of the tax as a matter of federal law, by virtue of its status as a feder-
8 ally-recognized Indian tribe or member of such tribe, such distributor shall
9 not bear the tax's legal incidence and must pass the tax through as part of
10 the selling price of the fuel. Such distributor shall retain the administra-
11 tive obligation to remit the tax, and such obligation shall accrue upon re-
12 ceipt in accordance with subsection (1) of this section. Should a retailer
13 otherwise subject to the tax be exempt from imposition of the tax as a mat-
14 ter of federal law, by virtue of its status as a federally-recognized Indian
15 tribe or member of such tribe, the retailer shall not bear the tax's legal in-
16 cidence and must pass the tax through as part of the selling price of the fuel
17 to the consumer, unless such consumer is exempt from imposition of the tax
18 as a matter of federal law, by virtue of its status as a federally-recognized
19 Indian tribe or membership in such tribe, and the retailer shall be entitled
20 to claim a credit against taxes otherwise due and owing under this chapter or
21 a tax refund, together with interest, attributable to the fuel purchased by
22 such consumer.