

2014 -- S 2869 AS AMENDED

LC005317

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- MOTOR FUEL TAX

Introduced By: Senators Walaska, and Ruggerio

Date Introduced: April 09, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

SECTION 1. Section 31-36-3 of the General Laws in Chapter 31-36 entitled "Motor Fuel Tax" is hereby amended to read as follows:

31-36-3. Bond of a motor fuel distributor. -- (a) Before the division of taxation shall register a distributor as provided in section 31-36-2, the distributor shall deposit with the Division of Taxation a surety bond running to the general treasurer and in form and substance approved by the division, in amount based upon an estimate of the average annual tax to be paid by the distributor as set forth in subsection (b) of this section, with any surety if any that the division may require, conditioned to pay any final judgment obtained against the principal named in the bond for failure to pay any and all taxes assessed under the provisions of this chapter. Provided however, that any distributor that has paid all taxes assessed under this chapter for three (3) consecutive years shall be exempt from depositing a surety bond thereafter as long as the distributor remains in good standing. In the event a distributor fails to remain in good standing the division shall notify the distributor of the requirement to obtain a new surety bond which must be secured within thirty (30) days of said notice. Any distributor that fails to secure the bond as required under this section shall forfeit its certificate of registration, provided for in § 31-36-2, until such time as the division receives proof that the bond has been secured.

(b)

| AVERAGE ESTIMATE OF ANNUAL TAXES | AMOUNT OF BOND |
|----------------------------------|----------------|
| \$ 0 to \$ 1,000,000 | \$ 250,000 |

| | | |
|---|------------------------------|-------------|
| 1 | \$ 1,000,001 to \$ 1,500,000 | \$ 350,000 |
| 2 | \$ 1,500,001 to \$ 2,000,000 | \$ 500,000 |
| 3 | \$ 2,000,001 to \$ 2,500,000 | \$ 600,000 |
| 4 | \$ 2,500,001 to \$ 3,000,000 | \$ 700,000 |
| 5 | \$ 3,000,001 to \$ 5,000,000 | \$1,000,000 |
| 6 | \$ 5,000,001 to \$10,000,000 | \$2,000,000 |
| 7 | \$10,000,001 to \$15,000,000 | \$3,000,000 |
| 8 | \$15,000,001 to \$25,000,000 | \$4,000,000 |
| 9 | \$25,000,001 and Over | \$5,000,000 |

10 (c) In no event shall the amount of the bond in this section exceed five million dollars
11 (\$5,000,000).

12 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would exempt motor fuel distributors that have paid all required taxes for three
2 (3) consecutive years from depositing a surety bond with the division of taxation, as long as the
3 distributor remains in good standing.

4 This act would take effect upon passage.

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