

*Substituted for by H.F. 552*

SENATE FILE 480  
BY COMMITTEE ON WAYS AND MEANS  
(SUCCESSOR TO SSB 349)

**WITHDRAWN**

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to changing the point of taxation of motor  
2 vehicle fuel by requiring supplier's, restrictive supplier's,  
3 importer's, exporter's, dealer's, user's, or blender's  
4 licenses, changing reporting periods, and adding penalties and  
5 providing an effective date.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

*S.F. 480*

**WITHDRAWN**

TLSB 2317SV 76  
js/jj/8

1 Section 1. Section 323.1, subsection 4, Code 1995, is  
2 amended to read as follows:

3 4. "Distributor" means a person ~~who holds a motor-fuel~~  
4 ~~distributor's license or a special-fuel distributor's license~~  
5 ~~issued as provided~~ as defined in chapter 452A.

6 Sec. 2. Section 323.2, Code 1995, is amended to read as  
7 follows:

8 323.2 DISCONTINUING DISTRIBUTOR FRANCHISE.

9 Notwithstanding the terms, provisions or conditions of any  
10 distributor franchise, a franchiser shall not terminate or  
11 refuse to renew a distributor franchise except as provided in  
12 this chapter. A franchiser shall not terminate or refuse to  
13 renew a distributor franchise unless the franchiser gives to  
14 the distributor thirty days' written notice of franchiser's  
15 intent to terminate or not renew. Notice shall be given by  
16 restricted certified mail, as defined in section 618.15. If a  
17 distributor, within thirty days after the date of delivery of  
18 the notice from the franchiser, applies to the department for  
19 a hearing under this chapter, the distributor franchise shall  
20 remain in effect pending a final order by the department. The  
21 application filed by the distributor shall state, under oath,  
22 ~~that the distributor's license as a motor-fuel or special-fuel~~  
23 ~~distributor, as the case may be, has not been canceled~~  
24 ~~pursuant to the provisions of chapter 452A,~~ that the  
25 distributor has not filed a petition in bankruptcy or been  
26 declared bankrupt within six months preceding the filing of  
27 the application, that the franchiser has not withdrawn  
28 entirely from the sale for resale of motor fuel and special  
29 fuel in this state, that there are no past due sums owing by  
30 the distributor to the franchiser, and that the distributor  
31 has not consented in writing to the termination or nonrenewal  
32 of the distributor franchise.

33 Sec. 3. Section 323.6, subsection 3, Code 1995, is amended  
34 to read as follows:

35 3. The sale or change of ownership of the distributor's

1 business, ~~unless the transfer of the distributor's license~~  
2 ~~pursuant to chapter 452A is denied or the new owner is unable~~  
3 ~~to obtain a license under chapter 452A.~~

4 Sec. 4. Section 327A.1, subsection 4, Code 1995, is  
5 amended to read as follows:

6 4. "Transportation for compensation" shall ~~in addition to~~  
7 include all public transportation, also include and  
8 transportation primarily for others by a person, not a  
9 distributor licensed, but does not include a distributor as  
10 defined under chapter 452A, even though as an incident thereto  
11 the person buys the liquids at the point where the  
12 transportation originates and sells it at a delivered price at  
13 destination and, except as otherwise provided, . However,  
14 transportation for compensation shall include transportation  
15 for others by a distributor licensed as defined under chapter  
16 452A or liquid products not owned by the distributor.

17 Sec. 5. Section 327A.15, Code 1995, is amended to read as  
18 follows:

19 327A.15 VEHICLES EXCEPTED.

20 Sections 327A.1 to 327A.14 shall not apply to (1)  
21 transportation in bulk by a vehicle having a total cargo tank  
22 shell capacity of two thousand gallons or less, (2)  
23 transportation by a distributor ~~licensed~~ as defined under  
24 chapter 452A incidental to and in the regular course of the  
25 business as a distributor of petroleum products, or (3)  
26 reciprocal exchange between distributors ~~licensed~~ as defined  
27 under chapter 452A of transportation pursuant to an exchange  
28 of products between distributors ~~so licensed~~.

29 Sec. 6. Section 422.110, unnumbered paragraph 1, Code  
30 1995, is amended to read as follows:

31 In lieu of the fuel tax refund provided in sections 452A.17  
32 to 452A.19, a person or corporation subject to taxation under  
33 divisions II or III of this chapter, except persons or  
34 corporations licensed under section 452A.4 ~~or 452A.36~~, may  
35 elect to receive an income tax credit for tax years beginning

1 on or after January 1, 1975. The person or corporation which  
2 elects to receive an income tax credit shall cancel its refund  
3 permit obtained under section 452A.18 within thirty days after  
4 the first day of its tax year or the permit becomes invalid at  
5 that time. For the purposes of this section, "person"  
6 includes a person claiming a tax credit based upon the  
7 person's pro rata share of the earnings from a partnership or  
8 corporation which is not subject to a tax under division II or  
9 III of this chapter as a partnership or corporation. If the  
10 election to receive an income tax credit has been made, it  
11 remains effective for at least one tax year, and for  
12 subsequent tax years unless a change is requested and a new  
13 refund permit applied for within thirty days after the first  
14 day of the person's or corporation's tax year. The income tax  
15 credit shall be the amount of the Iowa fuel tax paid on fuel  
16 purchased by the person or corporation and used as follows:

17 Sec. 7. Section 422.110, subsection 2, Code 1995, is  
18 amended to read as follows:

19 2. Special fuel as defined in section ~~452A.337-subsection~~  
20 ~~77~~ 452A.2 used for the purpose of operation of corn shellers,  
21 roller mills and feed grinders mounted on trucks.

22 Sec. 8. Section 452A.1, Code 1995, is amended to read as  
23 follows:

24 452A.1 SHORT TITLE.

25 This division, plus applicable provisions of division IV of  
26 this chapter ~~and-any-amendments-to-either~~ shall be known and  
27 may be cited as the "Motor Fuel and Special Fuel Tax Law" and  
28 ~~as-so-constituted-is-hereinafter-referred-to-as-this-division.~~

29 Sec. 9. Section 452A.2, subsections 2 and 5, Code 1995,  
30 are amended by striking the subsections and inserting in lieu  
31 thereof the following:

32 2. "Dealer" means a person, other than a distributor, who  
33 engages in the business of selling or distributing motor fuel  
34 or special fuel to the end user in this state.

35 5. "Distributor" means a person who acquires tax paid

1 motor fuel or special fuel from a supplier, restrictive  
2 supplier or importer, or another distributor for subsequent  
3 sale at wholesale and distribution by tank cars or tank trucks  
4 or both. The department may require that the distributor be  
5 registered to have terminal purchase rights.

6 Sec. 10. Section 452A.2, subsection 7, Code 1995, is  
7 amended to read as follows:

8 7. "Licensee" ~~shall mean and include~~ means any a person  
9 holding an uncanceled distributor's supplier's, restrictive  
10 supplier's, importer's, exporter's, dealer's, user's, or  
11 blender's license issued by the department under this division  
12 or any prior motor fuel tax law or any other person who  
13 possesses fuel for which the tax has not been paid.

14 Sec. 11. Section 452A.2, subsection 8, Code 1995, is  
15 amended to read as follows:

16 8. "Motor fuel" ~~shall mean (a) all~~ means both of the  
17 following:

18 a. All products commonly or commercially known or sold as  
19 gasoline (including casinghead and absorption or natural  
20 gasoline) regardless of their classifications or uses; and (b)  
21 any.

22 b. Any liquid advertised, offered for sale, sold for use  
23 as, or commonly or commercially used as a fuel for propelling  
24 motor vehicles, which when subjected to distillation of  
25 gasoline, naphtha, kerosene and similar petroleum products  
26 (American Society of Testing Materials Designation D-86), show  
27 not less than ten per centum distilled (recovered) below three  
28 hundred forty-seven degrees Fahrenheit (one hundred seventy-  
29 five degrees Centigrade) and not less than ninety-five per  
30 centum distilled (recovered) below four hundred sixty-four  
31 degrees Fahrenheit (two hundred forty degrees Centigrade);  
32 provided, that the term "motor.

33 "Motor fuel" shall does not include special fuel as defined  
34 in section 452A.33, subsection 7, and shall does not include  
35 liquefied gases which would not exist as liquids at a

1 temperature of sixty degrees Fahrenheit and a pressure of  
2 fourteen and seven-tenths pounds per square inch absolute, nor  
3 or naphthas and solvents ~~as-hereinafter-defined~~ unless the  
4 liquefied gases or naphthas and solvents are used as a  
5 component in the manufacture, compounding, or blending of a  
6 liquid within ~~(b)-above~~ paragraph "b", in which event the  
7 resulting product shall be deemed to be motor fuel.

8 Sec. 12. Section 452A.2, subsection 9, Code 1995, is  
9 amended by striking the subsection.

10 Sec. 13. Section 452A.2, Code 1995, is amended by adding  
11 the following new subsections:

12 NEW SUBSECTION. 1A. "Blender" means a person who owns and  
13 blends alcohol with gasoline to produce ethanol blended  
14 gasoline and blends the product at a nonterminal location.  
15 The blender is not restricted to blending alcohol with  
16 gasoline. Products blended with other than grain alcohol are  
17 treated and taxed as gasoline. "Blender" also means a person  
18 blending two or more special fuel products at a nonterminal  
19 location where the tax has not been paid on all of the  
20 products blended. The blend is taxed as a special fuel.

21 NEW SUBSECTION. 1B. "Common carrier" or "contract  
22 carrier" means a person involved in the movement of motor fuel  
23 or special fuel from the terminal or movement of the motor  
24 fuel or special fuel imported into this state, who is not an  
25 owner of the motor fuel or special fuel.

26 NEW SUBSECTION. 5A. "Eligible purchaser" means a  
27 distributor of motor fuel or special fuel or an end user of  
28 special fuel who has purchased a minimum of two hundred forty  
29 thousand gallons of special fuel each year in the preceding  
30 two years. Eligible purchasers who elect to make delayed  
31 payments to a licensed supplier shall use electronic funds  
32 transfer. Additional requirements for qualifying as an  
33 eligible purchaser shall be established by rule.

34 NEW SUBSECTION. 6A. "Export" means delivery across the  
35 boundaries of this state by or for the seller or purchaser

1 from a place of origin in this state.

2 NEW SUBSECTION. 6B. "Exporter" means a person or other  
3 entity who acquires fuel in this state exclusively for export  
4 to another state.

5 NEW SUBSECTION. 6C. "Import" means delivery across the  
6 boundaries of this state by or for the seller or purchaser  
7 from a place of origin outside this state.

8 NEW SUBSECTION. 6D. "Importer" means a person who imports  
9 motor fuel or undyed special fuel in bulk or transport load  
10 into the state by truck, rail, or barge.

11 NEW SUBSECTION. 6E. "Licensed compressed natural gas and  
12 liquefied petroleum gas dealer" means a person in the business  
13 of handling untaxed compressed natural gas or liquefied  
14 petroleum gas who delivers any part of the fuel into a fuel  
15 supply tank of any motor vehicle.

16 NEW SUBSECTION. 6F. "Licensed compressed natural gas and  
17 liquefied petroleum gas user" means a person licensed by the  
18 department who dispenses compressed natural gas or liquefied  
19 petroleum gas, upon which the special tax has not been  
20 previously paid, for highway use from fuel sources owned and  
21 controlled by the person into the fuel supply tank of a motor  
22 vehicle, or commercial vehicle owned or controlled by the  
23 person.

24 NEW SUBSECTION. 11A. "Restrictive supplier" means a  
25 person who imports motor fuel or undyed special fuel into this  
26 state in tank wagons or in small tanks not otherwise licensed  
27 as an importer.

28 NEW SUBSECTION. 11B. "Special fuel" means fuel oils and  
29 all combustible gases and liquids suitable for the generation  
30 of power for propulsion of motor vehicles or turbine-powered  
31 aircraft, and includes any substance used for that purpose,  
32 except that it does not include motor fuel.

33 NEW SUBSECTION. 11C. "Supplier" means a person who  
34 acquires motor fuel or special fuel by pipeline or marine  
35 vessel from a state, territory, or possession of the United

1 States, or from a foreign country for storage at and  
2 distribution from a terminal and who is registered under 26  
3 U.S.C. § 4101 for tax-free transactions in gasoline, a person  
4 who produces in this state or acquires by truck, railcar, or  
5 barge for storage at and distribution from a terminal, alcohol  
6 or alcohol derivative substances, or a person who produces,  
7 manufactures, or refines motor fuel or special fuel in this  
8 state. "Supplier" includes a person who does not meet the  
9 jurisdictional connection to this state but voluntarily agrees  
10 to act as a supplier for purposes of collecting and reporting  
11 the motor fuel or special fuel tax. "Supplier" does not  
12 include a retail dealer or wholesaler who merely blends  
13 alcohol with gasoline before the sale or distribution of the  
14 product or a terminal operator who merely handles, in a  
15 terminal, motor fuel or special fuel consigned to the terminal  
16 operator.

17 NEW SUBSECTION. 11D. "Terminal" means a motor fuel or  
18 special fuel storage and distribution facility that is  
19 supplied by a pipeline or a marine vessel and from which the  
20 fuel may be removed at a rack. "Terminal" does not include a  
21 facility at which motor fuel or special fuel blend stocks and  
22 additives are used in the manufacture of products other than  
23 motor fuel or special fuel and from which no motor fuel or  
24 special fuel are removed.

25 NEW SUBSECTION. 11E. "Terminal operator" means the person  
26 who by ownership or contractual agreement is charged with the  
27 responsibility for, or physical control over, and operation of  
28 a terminal. If co-venturers own a terminal, "terminal  
29 operator" means the person who is appointed to exercise the  
30 responsibility for, or physical control over, and operation of  
31 the terminal.

32 NEW SUBSECTION. 12A. "Use" means the receipt, delivery,  
33 or placing of liquefied petroleum gas by a licensed liquefied  
34 petroleum gas user into a fuel supply tank of a motor vehicle  
35 while the vehicle is in the state, except that with respect to

1 natural gas used as a special fuel, "use" means the receipt,  
2 delivery, or placing of the natural gas into equipment for  
3 compressing the gas for subsequent delivery into the fuel  
4 supply tank of a motor vehicle.

5 NEW SUBSECTION. 12B. "Withdrawn from terminal" means  
6 physical movement from a supplier to a distributor or eligible  
7 end user and includes an importer going out of state and  
8 obtaining fuel from a terminal and bringing the fuel into the  
9 state, and a restrictive supplier bringing fuel into the state  
10 even though not purchased directly from a terminal.

11 Sec. 14. Section 452A.3, Code 1995, is amended by striking  
12 the section and inserting in lieu thereof the following:

13 452A.3 LEVY OF EXCISE TAX.

14 1. For the privilege of operating motor vehicles in this  
15 state, an excise tax of twenty cents per gallon is imposed  
16 upon the use of all motor fuel used for any purpose except  
17 aviation gasoline and except motor fuel containing at least  
18 ten percent alcohol distilled from cereal grains grown in the  
19 United States for the period ending June 30, 2000, and except  
20 as otherwise provided in this division. For the privilege of  
21 operating aircraft in this state an excise tax of eight cents  
22 per gallon is imposed on the use of all aviation gasoline.

23 2. For the privilege of operating motor vehicles in this  
24 state, an excise tax of nineteen cents per gallon until June  
25 30, 2000, is imposed upon the use of motor fuel containing at  
26 least ten percent alcohol distilled from cereal grains grown  
27 in the United States and used for any purpose except as  
28 otherwise provided in this division.

29 3. For the privilege of operating motor vehicles or  
30 aircraft in this state, there is imposed an excise tax on the  
31 use of special fuel in a motor vehicle or aircraft. The tax  
32 rate on special fuel for diesel engines of motor vehicles is  
33 twenty-two and one-half cents per gallon. The rate of tax on  
34 special fuel for aircraft is three cents per gallon. On all  
35 other special fuel the per gallon rate is the same as the

1 motor fuel tax. Indelible dye meeting United States  
2 environmental protection agency and internal revenue service  
3 regulations must be added to fuel before or upon withdrawal at  
4 a terminal or refinery rack for that fuel to be exempt from  
5 tax and may be used only for an exempt purpose.

6 4. For compressed natural gas used as a special fuel, the  
7 rate of tax that is equivalent to the motor fuel tax shall be  
8 sixteen cents per hundred cubic feet adjusted to a base  
9 temperature of sixty degrees Fahrenheit and a pressure of  
10 fourteen and seventy-three hundredths pounds per square inch  
11 absolute.

12 5. The tax shall be paid by the following:

13 a. The supplier, upon the invoiced gross gallonage of all  
14 motor fuel or undyed special fuel withdrawn from a terminal  
15 for delivery in this state.

16 b. The person who owns or causes the fuel to be brought  
17 into the state by a restrictive supplier or importer, upon the  
18 invoiced gross gallonage of motor fuel or undyed special fuel  
19 imported.

20 c. The blender on total invoiced gross gallonage of  
21 alcohol or other product sold to be blended with gasoline or  
22 special fuel.

23 d. Any other person who possesses taxable fuel upon which  
24 the tax has not been paid to a licensee.

25 However, the tax shall not be imposed or collected under  
26 this division with respect to motor fuel or special fuel sold  
27 for export or exported from this state to any other state,  
28 territory, or foreign country.

29 6. Thereafter, except as otherwise provided in this  
30 division, the per gallon amount of the tax shall be added to  
31 the selling price of every gallon of such motor fuel or undyed  
32 special fuel sold in this state and shall be collected from  
33 the purchaser so that the ultimate consumer bears the burden  
34 of the tax.

35 Sec. 15. Section 452A.4, Code 1995, is amended to read as

1 follows:

2 452A.4 DISTRIBUTOR'S SUPPLIER'S, RESTRICTIVE SUPPLIER'S,  
3 IMPORTER'S, EXPORTER'S, DEALER'S, AND USER'S LICENSE.

4 1. It shall be unlawful for any person to receive sell  
5 motor fuel or undyed special fuel within this state or to  
6 otherwise act as a distributor supplier, restrictive supplier,  
7 importer, exporter, dealer, or user unless the person holds an  
8 uncanceled distributor's license issued by the department. To  
9 procure a license a distributor supplier, restrictive  
10 supplier, importer, exporter, dealer, or user shall file with  
11 the department an application signed under penalty for false  
12 certificate ~~and in such form as the department may prescribe,~~  
13 setting forth and complying with all of the following:

14 1- a. The name under which the distributor licensee will  
15 transact business in the this state of Iowa.

16 2- b. The location, with street number address, of the  
17 principal office or place of business of the distributor  
18 licensee within this state.

19 3- c. The name and complete residence address of the owner  
20 or the names and addresses of the partners, if the distributor  
21 licensee is a partnership, or the names and addresses of the  
22 principal officers, if the distributor licensee is a  
23 corporation or association.

24 d. A dealer's or user's license shall be required for each  
25 separate place of business or location where compressed  
26 natural gas or liquefied petroleum gas is delivered or placed  
27 into the fuel supply tank of a motor vehicle.

28 e. An applicant for an exporter's license shall provide  
29 verification as required by the department that the applicant  
30 has the appropriate license valid in the state or states into  
31 which the motor fuel or undyed special fuel will be exported.

32 2. a. The department may deny the issuance of a license  
33 to an applicant who is substantially delinquent in the payment  
34 of a tax due, or the interest or penalty on the tax,  
35 administered by the department. If the applicant is a

1 partnership, a license may be denied if a partner owes any  
2 delinquent tax, interest, or penalty. If the applicant is a  
3 corporation, a license may be denied if any officer having a  
4 substantial legal or equitable interest in the ownership of  
5 the corporation owes any delinquent tax, interest, or penalty  
6 of the applicant corporation.

7 b. ~~if (a) any~~ The department may deny the issuance of a  
8 license if an application for a license to transact business  
9 as a distributor supplier, restrictive supplier, importer,  
10 exporter, dealer, or user in this state shall be is filed by  
11 any a person whose license shall have or registration has been  
12 canceled for cause at any time theretofore under the  
13 provisions of ~~the~~ this chapter or any prior motor fuel tax  
14 law, ~~or (b) if~~ if the department ~~shall be of the opinion~~ has  
15 reason to believe that such the application is not filed in  
16 good faith, or ~~(c) if~~ if the application is filed by some person  
17 as a subterfuge for the real person in interest whose license  
18 or registration ~~shall theretofore have~~ has been canceled for  
19 cause under the provisions of this chapter or any prior motor  
20 fuel tax law, ~~the department, after a hearing of which the~~  
21 ~~applicant shall have been given fifteen days' notice in~~  
22 ~~writing and in which said.~~ The applicant shall be given  
23 fifteen days' notice in writing of the date of the hearing and  
24 shall have the right to appear in person or by counsel and  
25 present testimony, ~~shall have and is hereby given the right~~  
26 ~~and authority to refuse to issue to the applicant a~~  
27 ~~distributor's license.~~

28 ~~Upon the filing of the application, a filing fee of ten~~  
29 ~~dollars shall be paid to the department.~~

30 3. a. The application in proper form having been accepted  
31 for filing, ~~the filing fee paid~~ and the other conditions and  
32 requirements of this section and division IV having been  
33 complied with, the department shall issue to the applicant a  
34 license to transact business as a distributor supplier,  
35 restrictive supplier, importer, exporter, dealer, or user in

1 this state. The license shall remain in full force and effect  
2 until canceled as provided in this chapter.

3 b. The license shall not be assignable and shall be valid  
4 only for the ~~distributor~~ licensee in whose name it is issued.

5 c. The department shall keep and file all applications and  
6 ~~bonds with an alphabetical index thereof, together with~~ and a  
7 record of all licensees.

8 Sec. 16. Section 452A.5, Code 1995, is amended by striking  
9 the section and inserting in lieu thereof the following:

10 452A.5 DISTRIBUTION ALLOWANCE.

11 A supplier shall retain a distribution allowance of not  
12 more than one and six-tenths percent of all gallons of motor  
13 fuel and a distribution allowance of not more than seven-  
14 tenths percent of all gallons of undyed special fuel removed  
15 from the terminal during the reporting period for purposes of  
16 tax computation under section 452A.8.

17 The distribution allowance shall be prorated between the  
18 supplier and the distributor as follows:

19 1. Motor fuel: four-tenths percent retained by the  
20 supplier, one and two-tenths percent to the distributor.

21 2. Undyed special fuel: thirty-five hundredths percent  
22 retained by the supplier, thirty-five hundredths percent to  
23 the distributor or dealer purchasing directly from a supplier.  
24 Gallons exported outside of the state shall not be included in  
25 the calculation of the distribution.

26 Sec. 17. Section 452A.6, Code 1995, is amended to read as  
27 follows:

28 452A.6 ETHANOL BLENDED GASOLINE BLENDER'S LICENSE.

29 A person other than a ~~distributor~~ supplier, restrictive  
30 supplier, or importer licensed under this division, who blends  
31 ~~motor fuel containing at least ten percent~~ gasoline with  
32 alcohol distilled from agricultural products cereal grains so  
33 that the blend contains at least ten percent alcohol distilled  
34 from cereal grains, shall obtain a blender's license. The  
35 license shall be obtained by following the procedure as set

1 ~~forth-in~~ under section 452A.4 and the license is subject to  
2 the same restrictions as contained in that section. Each A  
3 blender shall maintain records as required by section 452A.10  
4 as to motor fuel, alcohol, and ethanol blended gasoline.

5 Sec. 18. NEW SECTION. 452A.7 FOREIGN SUPPLIERS.

6 The director, upon application, may authorize the  
7 collection and reporting of the tax by any supplier not having  
8 jurisdictional connections with this state. A foreign  
9 supplier shall be issued a license to collect and report the  
10 tax and shall be subject to the same regulations and  
11 requirements as suppliers having a jurisdictional connection  
12 with the state, or other regulations and agreements as  
13 prescribed by the director.

14 Sec. 19. Section 452A.8, Code 1995, is amended by striking  
15 the section and inserting in lieu thereof the following:

16 452A.8 TAX REPORTS -- COMPUTATION AND PAYMENT OF TAX --  
17 CREDITS.

18 1. For the purpose of determining the amount of the  
19 supplier's, restrictive supplier's, or importer's tax  
20 liability, a supplier or restrictive supplier shall file, not  
21 later than the last day of the month following the month in  
22 which this division becomes effective and not later than the  
23 last day of each calendar month thereafter, and an importer  
24 shall file a report semi-monthly with the department, signed  
25 under penalty for false certification. For an importer for  
26 the reporting period from the first day of the month through  
27 the fifteenth of the month, the report is due on the last day  
28 of the month. For an importer for the reporting period from  
29 the sixteenth of the month through the last day of the month  
30 the report is due on the fifteenth day of the following month.  
31 The reports shall include the following:

32 a. A statement of the number of invoiced gallons of motor  
33 fuel and undyed special fuel withdrawn from the terminal by  
34 the licensee within this state during the preceding calendar  
35 month in such detail as determined by the department. This

1 includes on-site blending reports at the terminal.

2 b. For information purposes only, a supplier, restrictive  
3 supplier, or importer shall show the number of invoiced  
4 gallons of dyed special fuel withdrawn from the terminal.

5 c. A statement showing the deductions authorized in this  
6 division in such detail and with such supporting evidence as  
7 required by the department.

8 d. Any other information the department may require for  
9 the enforcement of this chapter.

10 2. At the time of filing of a report, a supplier,  
11 restrictive supplier, or importer shall pay to the department  
12 the full amount of the fuel tax due for the preceding calendar  
13 month computed as follows:

14 a. From the total number of invoiced gallons of motor fuel  
15 or undyed special fuel withdrawn from the terminal by the  
16 licensee within the state during the preceding calendar month  
17 the following deductions shall be made:

18 (1) The gallonage of motor fuel or undyed special fuel  
19 withdrawn from a terminal by a licensee and exported outside  
20 Iowa.

21 (2) For suppliers only, the one and six-tenths percent of  
22 the number of gallons of motor fuel or seven-tenths percent of  
23 the number of gallons of undyed special fuel of the invoiced  
24 gallons of motor fuel or undyed special fuel withdrawn from a  
25 terminal within this state during the preceding calendar  
26 month.

27 b. The number of invoiced gallons remaining after the  
28 deductions in paragraph "a" shall be multiplied by the per  
29 gallon fuel tax rate.

30 c. The tax due under paragraph "b" shall be the amount of  
31 fuel tax due from the supplier, restrictive supplier, or  
32 importer for the preceding reporting period. The director may  
33 require by rule that the payment of taxes by suppliers,  
34 restrictive suppliers, and importers be made by electronic  
35 funds transfer. The director may allow a tax float by rule

1 where the eligible purchaser is not required to pay the tax to  
2 the supplier until one business day prior to the date the tax  
3 is due. Any credit calculated by the supplier, restrictive  
4 supplier, or importer may be applied against the amount due.  
5 A licensed supplier who is unable to recover the tax from an  
6 eligible purchaser is not liable for the tax, upon proper  
7 documentation, and may credit the amount of unpaid tax against  
8 a later remittance of tax. Under this provision, a supplier  
9 does not qualify for a credit if the purchaser did not elect  
10 to use the eligible purchaser status, or otherwise does not  
11 qualify to be an eligible purchaser. To qualify for the  
12 credit, the supplier must notify the department of the  
13 uncollectible account no later than ten calendar days after  
14 the due date for payment of the tax. If a supplier sells  
15 additional motor fuel or undyed special fuel to a delinquent  
16 eligible purchaser after notifying the department that the  
17 supplier has an uncollectible debt with that eligible  
18 purchaser, the limited liability provision does not apply to  
19 the additional fuel. The supplier is liable for tax collected  
20 from the purchaser.

21 d. The director may require by rule that reports be filed  
22 by electronic transmission.

23 e. The tax for compressed natural gas and liquefied  
24 petroleum gas delivered by a licensed compressed natural gas  
25 or liquefied petroleum gas dealer for use in this state shall  
26 attach at the time of the delivery and shall be collected by  
27 the dealer from the consumer and paid to the department as  
28 provided in this chapter. The tax, with respect to compressed  
29 natural gas and liquefied petroleum gas acquired by a consumer  
30 in any manner other than by delivery by a licensed compressed  
31 natural gas or liquefied petroleum gas dealer into a fuel  
32 supply tank of a motor vehicle, attaches at the time of the  
33 use of the fuel and shall be paid over to the department by  
34 the consumer as provided in this chapter.

35 The department shall adopt rules governing the dispensing

1 of compressed natural gas and liquefied petroleum gas by  
2 licensed dealers and licensed users. For purposes of this  
3 paragraph "dealer" and "user" means a licensed compressed  
4 natural gas or liquefied petroleum gas dealer or user and  
5 "fuel" means compressed natural gas or liquefied petroleum  
6 gas. The department shall require that all pumps located at  
7 dealer locations and user locations through which liquefied  
8 petroleum gas can be dispensed, metered, inspected, tested for  
9 accuracy, and sealed and licensed by the state department of  
10 agriculture and land stewardship, and that fuel delivered into  
11 the fuel supply tank of any motor vehicle shall be dispensed  
12 only through tested metered pumps and may be sold without  
13 temperature correction or corrected to a temperature of sixty  
14 degrees. If the metered gallonage is to be temperature-  
15 corrected, only a temperature-compensated meter shall be used.  
16 Natural gas used as fuel shall be delivered into compressing  
17 equipment through sealed meters certified for accuracy by the  
18 department of agriculture and land stewardship.

19 All gallonage which is not for highway use, dispensed  
20 through metered pumps as licensed under this section on which  
21 fuel tax is not collected, must be substantiated by exemption  
22 certificates as provided by the department or by valid  
23 exemption certificates provided by the dealers, signed by the  
24 purchaser, and retained by the dealer. A "valid exemption  
25 certificate provided by a dealer" is an exemption certificate  
26 which is in the form prescribed by the director to assist a  
27 dealer to properly account for fuel dispensed for which tax is  
28 not collected and which is complete and correct according to  
29 the requirements of the director.

30 For the privilege of purchasing liquefied petroleum gas,  
31 dispensed through licensed metered pumps, on a basis exempt  
32 from the tax, the purchaser shall sign exemption certificates  
33 for the gallonage claimed which is not for highway use.

34 The department shall disallow all sales of gallonage which  
35 is not for highway use unless proof is established by the

1 certificate. Exemption certificates shall be retained by the  
2 dealer for a period of three years.

3 (1) For the purpose of determining the amount of liability  
4 for fuel tax, each dealer and each user shall file with the  
5 department not later than the last day of the month following  
6 the month in which this division becomes effective and not  
7 later than the last day of each calendar month thereafter a  
8 monthly tax return certified under penalties for false  
9 certification. The return shall show, with reference to each  
10 location at which fuel is delivered or placed by the dealer or  
11 user into a fuel supply tank of any motor vehicle during the  
12 next preceding calendar month, information as required by the  
13 department.

14 (2) The amount of tax due shall be computed by multiplying  
15 the appropriate tax rate per gallon by the number of gallons  
16 of fuel delivered or placed by the dealer or user into supply  
17 tanks of motor vehicles.

18 (3) The return shall be accompanied by remittance in the  
19 amount of the tax due for the month in which the fuel was  
20 placed into the supply tanks of motor vehicles.

21 3. For the purpose of determining the amount of the tax  
22 liability on alcohol blended to produce ethanol blended  
23 gasoline, each licensed blender shall, not later than the last  
24 day of each month following the month in which the blending is  
25 done, file with the department a monthly report, signed under  
26 penalty for false certificate, containing information required  
27 by rules adopted by the director.

28 4. A person who possesses fuel or uses fuel in a motor  
29 vehicle upon which no tax has been paid by a licensee in this  
30 state is subject to reporting and paying the applicable tax.

31 Sec. 20. Section 452A.9, Code 1995, is amended to read as  
32 follows:

33 452A.9 REPORT FROM PERSONS NOT LICENSED AS DISTRIBUTORS  
34 SUPPLIERS, RESTRICTIVE SUPPLIERS, OR IMPORTERS.

35 Every person other than a licensed ~~distributor~~ supplier,

1 restrictive supplier, or importer, who shall purchase  
 2 purchases, bring brings into this state, or otherwise acquire  
 3 acquires within this state motor fuel or undyed special fuel,  
 4 not otherwise exempted, with-respect-to which such the person  
 5 has knowingly not paid or incurred liability to pay either to  
 6 a licensee or to a dealer the motor fuel or special fuel tax,  
 7 shall be subject with-respect-to-the-motor-fuel to all the  
 8 provisions of this division that apply to distributors-on  
 9 suppliers, restrictive suppliers, and importers of motor fuel  
 10 received-by-them-in-this-state or undyed special fuel and  
 11 shall make the same reports and tax payments thereon and be  
 12 subject to the same penalties for delinquent reporting or  
 13 nonreporting or delinquent payment or nonpayment as apply to  
 14 distributors suppliers, restrictive suppliers, and importers.

15 Sec. 21. Section 452A.10, Code 1995, is amended to read as  
 16 follows:

17 452A.10 REQUIRED DISTRIBUTOR-AND-DEALER RECORDS.

18 Each A motor fuel distributor or special fuel supplier,  
 19 restrictive supplier, importer, exporter, blender, dealer,  
 20 user, common carrier, contract carrier, or terminal shall  
 21 maintain and-keep for a period of three years, records of all  
 22 transactions by which the distributor-receives, uses, sells,  
 23 delivers-or-otherwise-disposes-of-motor-fuel-within-this  
 24 state, supplier, restrictive supplier, or importer withdraws  
 25 from a terminal within this state or imports into this state  
 26 motor fuel or undyed special fuel together with invoices,  
 27 bills of lading, and other pertinent records and papers as may  
 28 reasonably-be required by the department for-the  
 29 administration-of-this-division.

30 If in the normal conduct of a distributor's supplier's,  
 31 restrictive supplier's, importer's, exporter's, blender's,  
 32 dealer's, user's, common carrier's, contract carrier's, or  
 33 terminal's business the distributor's records are maintained  
 34 and kept at an office outside the this state, of Iowa, it  
 35 shall-be-a-sufficient-compliance-with-this-section-if the

1 records ~~are~~ shall be made available for audit and examination  
2 by the department at the office outside ~~Iowa~~ this state, but  
3 ~~such the~~ audit and examination ~~outside-Iowa~~ shall be without  
4 expense to ~~the~~ this state.

5 Each ~~dealer~~ distributor handling motor fuel or special fuel  
6 in this state shall maintain ~~and-keep~~ for a period of two  
7 three years records of all motor fuel or undyed special fuel  
8 purchased or otherwise acquired by the ~~dealer~~ distributor,  
9 together with delivery tickets, invoices, and bills of lading,  
10 and ~~such any~~ other pertinent records as required by the  
11 department ~~shall-require~~.

12 The department, after an audit and examination of the  
13 records ~~of-a-distributor-or-dealer~~ required to be maintained  
14 under this section, may authorize their disposal, ~~the~~  
15 ~~authorization-to-be-in-writing-after~~ upon the written request  
16 by of the supplier, restrictive supplier, importer, exporter,  
17 blender, dealer, user, carrier, terminal, or distributor or  
18 dealer.

19 Sec. 22. Section 452A.12, Code 1995, is amended to read as  
20 follows:

21 452A.12 LOADING AND DELIVERY EVIDENCE ON TRANSPORTATION  
22 EQUIPMENT.

23 1. ~~There~~ A serially numbered manifest shall be carried on  
24 every vehicle, except small tank wagons, while in use in  
25 transportation service, ~~a-serially-numbered-manifest-in-form~~  
26 ~~satisfactory-to-the-department~~ on which shall be entered the  
27 following information as to the cargo of motor fuel or special  
28 fuel being moved in the vehicle: The date and place of  
29 loading, the place to be unloaded, the person for whom it is  
30 to be delivered, the nature and kind of product, the amount of  
31 product, and other information ~~called-for-in-the-forms~~  
32 ~~prescribed-or-approved~~ required by the department. The  
33 manifest for small tank wagons shall be retained at the home  
34 office. The manifest covering each load transported, upon  
35 consummation of the delivery, shall be completed by showing

1 the date and place of actual delivery and the person to whom  
2 actually delivered and shall be kept as a permanent record for  
3 a period of three years. However, the record of the manifest  
4 of past cargoes need not be carried on the conveyance but must  
5 shall be preserved by the carrier for ~~the~~ inspection of by the  
6 department. A carrier subject to this subsection when  
7 distributing for a licensee may with the approval of the  
8 department ~~when-distributing-for-a-licensee~~ substitute the  
9 loading and delivery evidence required in subsection 2 for the  
10 manifest.

11 2. ~~Every-distributor-or-other~~ A person while transporting  
12 motor fuel or undyed special fuel from a refinery or marine or  
13 pipeline terminal in this state or from a point outside this  
14 state via over the highways of this state in service other  
15 than that ~~covered-in~~ under subsection 1 ~~of-this-section~~ shall  
16 carry in the vehicle a loading invoice showing the ~~true~~ name  
17 and address of the seller or consignor, the date and place of  
18 loading and the kind and quantity of motor fuel or special  
19 fuel loaded, together with invoices showing the kind and  
20 quantity of each delivery ~~therefrom~~, and the name and address  
21 of each purchaser or consignee.

22 Sec. 23. Section 452A.15, Code 1995, is amended to read as  
23 follows:

24 452A.15 TRANSPORTATION REPORTS -- REFINERY AND PIPELINE  
25 AND MARINE TERMINAL REPORTS.

26 1. Every railroad and common carrier or contract motor  
27 carrier transporting motor fuel or special fuel either in  
28 interstate or intrastate commerce within this state and every  
29 person transporting motor fuel or special fuel by whatever  
30 manner ~~from-a-point-outside-this-state-to-any-point-in-this~~  
31 into this state shall, subject to penalties for false  
32 certificate, report to the department ~~on-forms-prescribed-by~~  
33 ~~the-department~~ all deliveries of motor fuel or special fuel to  
34 points within this state other than refineries or marine or  
35 pipeline terminals. If any supplier, restrictive supplier,

1 importer, or distributor or-dealer is also engaged in the  
2 transportation of motor fuel or special fuel for others, the  
3 supplier, restrictive supplier, importer, or distributor or  
4 dealer shall make the same reports as required of common  
5 carriers and contract carriers.

6 The report shall cover monthly periods and shall show as to  
7 each delivery:

8 a. The name and address of the person to whom delivery was  
9 actually and-in-fact made.

10 b. The name and address of the originally named consignee,  
11 if delivered to any other than the originally named consignee.

12 c. The point of origin, the point of delivery, and the  
13 date of delivery.

14 d. The number and initials of each tank car and the number  
15 of gallons contained therein in the tank car, if shipped by  
16 rail.

17 e. The name of the boat, barge, or vessel, and the number  
18 of gallons contained therein in the boat, barge, or vessel, if  
19 shipped by water.

20 f. The registration number of each tank truck and the  
21 number of gallons contained therein in the tank truck, if  
22 transported by motor truck.

23 g. The manner, if delivered by other means, in which the  
24 delivery is made.

25 h. ~~Such-additional~~ Additional information relative to  
26 shipments of motor fuel or special fuel as the department may  
27 require.

28 If any a person required under this section to file  
29 transportation reports is a licensee under this division and  
30 if the information required in the transportation report is  
31 contained in any other report rendered by the person under  
32 this division, ~~no a~~ a separate transportation report of that  
33 information shall not be required.

34 2. Every A person operating storage facilities at a  
35 refinery or at a ~~marine-or-pipeline~~ terminal in this state

1 shall ~~monthly~~ make ~~an a~~ monthly accounting to the department  
2 ~~on-forms-prescribed-by-the-department~~ of all motor fuel,  
3 alcohol, and undyed special fuel withdrawn from the refinery  
4 ~~storage~~ and all motor fuel, alcohol, and undyed special fuel  
5 delivered into, withdrawn from and on hand in the refinery or  
6 terminal storage.

7 3. The reports required in this section shall be for  
8 information purposes only and the department may in its  
9 discretion waive the filing of any of these reports not  
10 necessary for proper administration of this division. The  
11 reports required in this section shall be certified under  
12 penalty for false certificate and filed with the department  
13 within the time allowed for filing of distributors' suppliers'  
14 and restrictive suppliers' reports of motor fuel received or  
15 special fuel withdrawn from a terminal within this state or  
16 imported into this state.

17 Sec. 24. Section 452A.17, Code 1995, is amended to read as  
18 follows:

19 452A.17 ~~REFUND-TO-NONLICENSEE----~~ FUEL-USED-OTHER-THAN-IN  
20 WATERCRAFT,-AIRCRAFT,-OR-MOTOR-VEHICLES REFUNDS.

21 1. A person ~~other-than-a-distributor,-dealer-or-user~~  
22 ~~licensed-under-this-chapter~~ who uses motor fuel or undyed  
23 special fuel for any of the purpose-of-operating-or-propelling  
24 farm-tractors,-corn-shellors,-roller-mills,-truck-mounted-feed  
25 grinders,-stationary-gas-engines,-for-producing-denatured  
26 alcohol-within-the-state,-for-cleaning-or-dyeing-or-for-any  
27 purpose-other-than-in-watercraft-or-aircraft-or-for-propelling  
28 motor-vehicles-operated-or-intended-to-be-operated-upon-the  
29 public-highways nontaxable purposes listed in this subsection,  
30 and who has paid the motor fuel or special fuel tax ~~on-the~~  
31 ~~fuel~~ either directly to the department or by having the tax  
32 added to the price of the fuel, and who has a refund permit,  
33 upon presentation to and approval by the department of a claim  
34 for refund, shall be reimbursed and repaid the amount of the  
35 tax which the claimant has paid on the gallonage so used,

1 except that the amount of a refund payable under this division  
2 may be applied by the department against any tax liability  
3 outstanding on the books of the department against the  
4 claimant.

5 a. The refund is allowable for motor fuel or undyed  
6 special fuel sold to or used for the following:

7 (1) The United States or any agency or instrumentality of  
8 the United States or where collection of the tax would be  
9 prohibited by the Constitution of the United States or the  
10 laws of the United States or by the Constitution of the State  
11 of Iowa.

12 (2) An Iowa urban transit system which is used for a  
13 purpose specified in section 452A.57, subsection 6.

14 (3) A regional transit system, the state, any of its  
15 agencies, or any political subdivision of the state which is  
16 used for a purpose specified in section 452A.57, subsection  
17 11, or for public purposes, including fuel sold for the  
18 transportation of pupils of approved public and nonpublic  
19 schools by a carrier who contracts with the public school  
20 under section 285.5.

21 (4) Fuel used in unlicensed vehicles, stationary engines,  
22 and implements used in agricultural production.

23 (5) Fuel used for producing denatured alcohol.

24 (6) Fuel used for idle time, power takeoffs, reefer units,  
25 pumping credits, transport diversions, fuel lost through  
26 casualty, exports by eligible purchasers, and blending errors  
27 for special fuel. The department shall adopt rules setting  
28 forth specific requirements relating to refunds for idle time,  
29 power takeoffs, reefer units, pumping credits and transport  
30 diversions, fuel lost through casualty, and blending errors  
31 for special fuel.

32 (7) A bona fide commercial fisher, licensed and operating  
33 under an owner's certificate for commercial fishing gear  
34 issued pursuant to section 482.4.

35 (8) For motor fuel or special fuel placed in motor

1 vehicles and used, other than on a public highway, in the  
2 extraction and processing of natural deposits, without regard  
3 to whether the motor vehicle was registered under section  
4 321.18. An applicant under this subparagraph shall maintain  
5 adequate records for a period of three years beyond the date  
6 of the claim.

7 b. Every A claim for refund is subject to the following  
8 conditions:

9 ~~1-~~ (1) The claim shall be on a form prescribed by the  
10 department and be certified by the claimant under penalty for  
11 false certificate.

12 ~~2-~~ (2) The claim shall ~~have-attached-thereto-the-original~~  
13 ~~invoice-or-other~~ include proof as prescribed by the department  
14 showing the purchase of the motor fuel or undyed special fuel  
15 on which a refund is claimed.

16 ~~3-~~ (3) An invoice shall not be acceptable in support of a  
17 claim for refund unless it is a separate serially numbered  
18 invoice covering no more than one purchase of motor fuel or  
19 undyed special fuel, prepared by the seller on a form approved  
20 by the department which will prevent erasure or alteration,  
21 ~~nor~~ and unless it is legibly written with no corrections or  
22 erasures and shows the date of sale, the name and address of  
23 the seller and of the purchaser, the kind of fuel, the  
24 gallonage in figures, the per gallon price of the motor fuel  
25 or undyed special fuel, the total purchase price including the  
26 Iowa motor fuel or undyed special fuel tax and that the total  
27 purchase price including tax has been paid; ~~provided, that as.~~  
28 However, with respect to refund invoices made on a billing  
29 machine, the department may waive any of the requirements of  
30 this subsection subparagraph.

31 ~~4-~~ (4) The claim shall state the gallonage of motor fuel  
32 or undyed special fuel that was used or will be used by the  
33 claimant other than in watercraft or aircraft or to propel  
34 motor vehicles, the manner in which the motor fuel or undyed  
35 special fuel was used or will be used and the equipment in

1 which it was used or will be used.

2 5: (5) The claim shall also state whether or not the  
3 claimant used fuel for watercraft or aircraft or to propel  
4 motor vehicles from the same tanks or receptacles in which the  
5 claimant kept the motor fuel or undyed special fuel on which  
6 the refund is claimed.

7 ~~6:--A-refund-shall-not-be-paid-with-respect-to-any-motor  
8 fuel-or-special-fuel-taken-out-of-this-state-in-fuel-supply  
9 tanks-of-watercraft,-aircraft,-or-motor-vehicles-~~

10 ~~7:--A-refund-shall-not-be-paid-with-respect-to-motor-fuel  
11 or-special-fuel-purchased-more-than-four-calendar-months-prior  
12 to-the-date-the-claim-was-filed-with-the-department-~~

13 ~~8:--A-refund-shall-not-be-paid-with-respect-to-motor-fuel  
14 or-special-fuel-used-in-the-performance-of-a-contract-which-is  
15 paid-out-of-state-funds-unless-the-contract-for-the-work  
16 contains-a-certificate-made-under-penalty-for-false  
17 certificate-that-the-estimate,-bid-or-price-to-be-paid-for-the  
18 work-includes-no-amount-representing-motor-fuel-or-special  
19 fuel-tax-subject-to-refund-~~

20 9: (6) If an original invoice is lost or destroyed the  
21 department may in its discretion accept a copy identified and  
22 certified by the seller as being a true copy of the original.

23 ~~10: (7) The-right-of-a-person-to-a-refund-under-this  
24 section-shall-not-be-assignable-~~ Claim shall be made by and  
25 the amount of the refund when-determined-by-the-department  
26 shall be paid to the person who purchased the motor fuel or  
27 undyed special fuel as shown in the supporting invoice unless  
28 that person designates another person as an agent for purposes  
29 of filing and receiving the refund for idle time, power  
30 takeoff, reefer units, pumping credits, and transport  
31 diversions.

32 ~~11: (8) In order to verify the validity of a claim for  
33 refund the department shall have the right to require the  
34 claimant to furnish such additional proof of validity as the  
35 department may determine and to examine the books and records~~

1 of the claimant. Failure of a claimant to furnish the  
2 claimant's books and records for examination shall constitute  
3 a waiver of all rights to refund related to the transaction in  
4 question.

5 ~~12.--Refunds shall be made of motor vehicle fuel taxes paid~~  
6 ~~on motor fuel or special fuel placed in motor vehicles and~~  
7 ~~used, other than on public highways, in the extraction and~~  
8 ~~processing of natural deposits, without regard to whether such~~  
9 ~~motor vehicles are registered under section 321.18.--An~~  
10 ~~applicant for a refund under this subsection must maintain~~  
11 ~~adequate records for a period of three years beyond the filing~~  
12 ~~of the claim.--The department will pay the claim upon the~~  
13 ~~presentation of proof which may reasonably be required.~~

14 ~~13.--A bona fide commercial fisher, licensed and operating~~  
15 ~~under an owner's certificate for commercial fishing gear~~  
16 ~~issued pursuant to section 482.4 is entitled to receive a~~  
17 ~~motor fuel or special fuel tax refund under this section.~~

18 ~~14. 4.~~ In lieu of the refund provided in this section, a  
19 person may receive an income tax credit as provided in chapter  
20 422, division IX, but only as to motor fuel or undyed special  
21 fuel not used in motor vehicles, aircraft, or watercraft.

22 5. a. A claim for refund shall not be allowed ~~which is in~~  
23 ~~an amount of less than ten dollars unless the claimant has~~  
24 ~~accumulated sixty dollars in credits for one calendar year. A~~  
25 ~~claim for refund may be filed anytime the sixty dollar minimum~~  
26 ~~has been met within the calendar year. If the sixty dollar~~  
27 ~~minimum has not been met in the calendar year, the credit~~  
28 ~~shall be claimed on the taxpayer's income tax return unless~~  
29 ~~the claimant is not required to file an income tax return in~~  
30 ~~which case a refund shall be allowed. Once the sixty dollar~~  
31 ~~minimum has been met, the claim for refund must be filed~~  
32 ~~within one year.~~

33 b. A refund shall be be paid with respect to any motor  
34 fuel or undyed special fuel taken out of this state in supply  
35 tanks of watercraft, aircraft, or motor vehicles.

1 c. A refund shall not be paid with respect to motor fuel  
2 or special fuel used in the performance of a contract which is  
3 paid out of state funds unless the contract for the work  
4 contains a certificate made under penalty for false  
5 certificate that the estimate, bid, or price to be paid for  
6 the work does not include any amount representing motor fuel  
7 or special fuel tax subject to refund.

8 Sec. 25. Section 452A.18, Code 1995, is amended to read as  
9 follows:

10 452A.18 REFUND PERMIT.

11 A person shall not claim a refund under section 452A.17 or  
12 section 452A.21 until the person has obtained a refund permit  
13 from the department. A special permit shall be obtained by  
14 ~~applicants~~ an applicant claiming a refund under this chapter  
15 ~~on-account-of~~ for motor fuel used to blend ethanol blended  
16 gasoline. Application for a refund permit shall be made to  
17 the department ~~on-a-form-provided-by-the-department~~, shall be  
18 certified by the applicant under penalty for false  
19 certificate, and shall contain among other things, the name,  
20 address, and occupation of the applicant, the nature of the  
21 applicant's business, and a sufficient description for  
22 identification of the machines and equipment in which ~~is-to-be~~  
23 ~~used~~ the motor fuel for which refund may be claimed under the  
24 permit or undyed special fuel is to be used. Each permit  
25 shall bear a separate number and each claim for refund shall  
26 bear the number of the permit under which it is made. The  
27 department shall keep a permanent record of all permits issued  
28 and a cumulative record of the amount of refund claimed and  
29 paid under each. A refund permit shall continue in effect  
30 until it is revoked or becomes invalid.

31 Sec. 26. Section 452A.21, Code 1995, is amended to read as  
32 follows:

33 452A.21 REFUND -- CREDIT ---PENALTY.

34 Persons ~~other-than-distributors~~ not licensed under this  
35 division who blend motor fuel and alcohol to produce ethanol

1 blended gasoline may file for a refund for the difference  
2 between taxes paid on the motor fuel purchased to produce  
3 ethanol blended gasoline and the tax due on the ethanol  
4 blended gasoline blended. If, during any month, a person  
5 licensed as-a-distributor under this division uses tax paid  
6 motor fuel to blend ethanol blended gasoline and the refund  
7 otherwise due under this section is greater than the  
8 distributor's licensee's total tax liability for that month,  
9 the ~~distributor-will-be~~ licensee is entitled to a credit. The  
10 claim for credit shall be filed as part of the report required  
11 by section 452A.8.

12 In order to obtain the refund established by this section,  
13 the person shall do all of the following:

14 1. Obtain a blender's permit as provided in section  
15 452A.18.

16 2. File a refund claim containing the information as  
17 required by the department and certified by the claimant under  
18 penalty for false certificate.

19 3. Retain invoices meeting the requirements of section  
20 452A.17, subsection 3 1, paragraph "b", subparagraph (3), for  
21 the motor fuel purchased.

22 4. Retain invoices for the purchase of alcohol.

23 A refund or credit memorandum will not be issued unless the  
24 claim is filed within ninety days following the end of the  
25 month during which the ethanol blended gasoline was actually  
26 blended.

27 ~~If-a-person-files-an-incorrect-refund-claim, there shall be~~  
28 ~~added-a-penalty-of-five-percent-to-the-amount-by-which-the~~  
29 ~~amount-claimed-and-refunded-exceeds-the-amount-actually-due.~~  
30 ~~If-a-fraudulent-refund-claim-is-filed-with-intent-to-evade-the~~  
31 ~~tax, the penalty shall be fifty percent in lieu of five~~  
32 ~~percent.--The person shall also pay interest on the excess~~  
33 ~~refunded-at-a-rate-of-three-fourths-of-one-percent-per-month~~  
34 ~~counting-each-fraction-of-a-month-as-an-entire-month, computed~~  
35 ~~from-the-date-the-refund-was-issued-to-the-date-the-excess~~

1 ~~refund-is-repaid-to-the-state.~~

2 Sec. 27. Section 452A.54, unnumbered paragraph 1, Code  
3 1995, is amended to read as follows:

4 Fuel tax liability under this division shall be computed on  
5 the total number of gallons of each kind of motor fuel and  
6 special fuel consumed in the operation in Iowa by commercial  
7 motor vehicles subject to this division at the same rate for  
8 each kind of fuel as would be applicable if taxed under  
9 ~~division I or-division-II~~ of this chapter. A refund against  
10 the fuel tax liability so computed shall be allowed, on excess  
11 Iowa motor fuel purchased, in the amount of fuel tax paid at  
12 the prevailing rate per gallon set out under ~~division I or~~  
13 ~~division-II~~ of this chapter on motor fuel and special fuel  
14 consumed by commercial motor vehicles, the operation of which  
15 is subject to this division.

16 Sec. 28. Section 452A.57, subsections 1 and 5, Code 1995,  
17 are amended to read as follows:

18 1. "Appropriate state agency" or "state agency" means the  
19 department of revenue and finance or the state department of  
20 transportation, whichever is responsible for control,  
21 maintenance, or supervision of the power, requirement, or duty  
22 referred to in the provision. The department of revenue and  
23 finance shall administer the provisions of ~~divisions~~ division  
24 ~~I and-II~~ of this chapter, and the state department of  
25 transportation shall administer the provisions of division  
26 III. The state department of transportation shall have  
27 enforcement authority for division I as agreed upon by the  
28 director of revenue and finance and the director of  
29 transportation.

30 5. "Fuel taxes" means ~~and-includes~~ the per gallon excise  
31 taxes imposed under ~~divisions~~ division I, -II-and-III of this  
32 chapter with respect to motor fuel and undyed special fuel.

33 Sec. 29. Section 452A.59, Code 1995, is amended to read as  
34 follows:

35 452A.59 ADMINISTRATIVE RULES.

1 The department of revenue and finance ~~is~~ and the state  
2 department of transportation are authorized and empowered to  
3 ~~make-such-reasonable~~ adopt rules under chapter 17A, relating  
4 to the administration and enforcement of this chapter as the  
5 ~~department-may-deem-needed~~ deemed necessary by the  
6 departments. ~~These-rules-shall-be-effective-when-the~~  
7 ~~provisions-of-chapter-17A-have-been-complied-with.~~

8 Sec. 30. Section 452A.60, Code 1995, is amended to read as  
9 follows:

10 452A.60 FORMS OF REPORT, REFUND CLAIM AND RECORDS.

11 The department of revenue and finance or the state  
12 department of transportation shall prescribe and furnish all  
13 forms, as applicable, upon which reports and applications  
14 shall be made and claims for refund presented under this  
15 chapter and may prescribe forms of record to be kept by ~~motor~~  
16 ~~fuel-distributors,-motor-fuel-dealers,-motor-fuel~~ suppliers,  
17 restrictive suppliers, importers, exporters, blenders, common  
18 carriers, contract carriers, special-fuel licensed compressed  
19 natural gas and liquefied petroleum gas dealers,-special-fuel  
20 and users, terminal operators, and interstate commercial motor  
21 vehicle operators.

22 ~~Whenever-in-this-chapter-the~~ The department of revenue and  
23 finance or the state department of transportation ~~is~~  
24 ~~authorized-to-prescribe-the-form-of-record-to-be-kept,-the~~  
25 ~~appropriate-state-agency may in-lieu-of~~ approve the a  
26 form of record being-kept,-and shall approve the form-of  
27 record-where-it-furnishes-in, other than a prescribed form, if  
28 the required information is presented in a reasonably  
29 accessible form ~~the-information-which-is-required-and~~ which  
30 substantially complies with the prescribed form.

31 Sec. 31. Section 452A.62, Code 1995, is amended to read as  
32 follows:

33 452A.62 INSPECTION OF RECORDS.

34 The department of revenue and finance or the state  
35 department of transportation, whichever is applicable, is

1 hereby given the authority within the time prescribed for  
2 keeping records ~~(1)~~ to do the following:

3 1. to To examine, during the usual business hours of the  
4 day, the records, books, papers, receipts, invoices, storage  
5 tanks, and any other equipment of (a) any of the following:

6 a. A distributor, dealer, purchaser, or supplier,  
7 restrictive supplier, importer, exporter, blender, terminal  
8 operator, common, contract or other carrier, or contract  
9 carrier, pertaining to motor fuel received, used, sold,  
10 delivered, or otherwise disposed of, or (b) of any special  
11 fuel or undyed special fuel withdrawn from a terminal or  
12 brought into this state.

13 b. A licensed compressed natural gas or liquefied  
14 petroleum gas dealer, special-fuel user, or person supplying  
15 special-fuel compressed natural gas or liquefied petroleum gas  
16 to any a licensed compressed natural gas or liquefied  
17 petroleum gas dealer or user of special-fuel and (c) of any.

18 c. An interstate operator of motor vehicles to verify the  
19 truth and accuracy of any statement, report, or return, or to  
20 ascertain whether or not the taxes imposed by this chapter  
21 have been paid, (d).

22 d. any Any person selling fuel-oil fuels that can be used  
23 for highway use, and (2).

24 2. to To examine the records, books, papers, receipts, and  
25 invoices of any distributor, special-fuel-dealer or special  
26 fuel-user supplier, restrictive supplier, importer, exporter,  
27 terminal operator, licensed compressed natural gas or  
28 liquefied petroleum gas dealer or user, or any other person  
29 who possesses fuel upon which the tax has not been paid to  
30 determine financial responsibility for the payment of the  
31 taxes imposed by this chapter.

32 If any a person within the purview of under this section  
33 shall refuse refuses access to pertinent records, books,  
34 papers, receipts, invoices, storage tanks, or any other  
35 equipment, then the appropriate state agency shall certify the

1 names and facts to any court of competent jurisdiction, and  
2 the said court shall enter ~~such an order in the premises as~~  
3 ~~the enforcement of~~ to enforce this chapter and ~~justice shall~~  
4 require.

5 Sec. 32. Section 452A.63, unnumbered paragraph 1, Code  
6 1995, is amended to read as follows:

7 All information obtained by the department of revenue and  
8 finance or the state department of transportation from the  
9 examining of reports or records required to be filed or kept  
10 under ~~the provisions of~~ this chapter shall be treated as  
11 confidential and shall not be divulged except to other state  
12 officers, a member or members of the general assembly, or any  
13 duly appointed committee of either or both houses of the  
14 general assembly, or to a representative of the state having  
15 some responsibility in connection with the collection of the  
16 taxes imposed or in proceedings brought under the provisions  
17 of this chapter, ~~provided, however, that the appropriate state~~  
18 ~~agency shall make available for public information on or~~  
19 ~~before the last day of the month following the month in which~~  
20 ~~the tax is required to be paid the names of the distributors~~  
21 ~~and as to each of them the total gallons received in the state~~  
22 ~~and separately, the received gallons (1) exported or sold for~~  
23 ~~export, (2) sold tax free in the state to entities that are~~  
24 ~~exempt from the tax and (3) sold tax free in the state to~~  
25 ~~entities required to report and account for the tax. The~~  
26 ~~department of revenue and finance shall also make available to~~  
27 ~~the public information with respect to special fuel dealers~~  
28 ~~and users and as to each of them the gallonage used and taxes~~  
29 paid. The department of revenue and finance or the state  
30 department of transportation, upon request of officials  
31 entrusted with enforcement of the motor vehicle fuel tax laws  
32 of the federal government or any other state, may forward to  
33 such officials any pertinent information which the appropriate  
34 state agency may have relative to motor fuel and special fuel  
35 provided the officials of the other state furnish like

1 information.

2 Sec. 33. Section 452A.71, Code 1995, is amended to read as  
3 follows:

4 452A.71 REFUNDS TO PERSONS OTHER THAN DISTRIBUTORS AND  
5 ~~SPECIAL-FUEL~~ COMPRESSED NATURAL GAS AND LIQUEFIED PETROLEUM  
6 GAS DEALERS AND USERS.

7 Except as provided in section 452A.54, any person other  
8 than a ~~licensed-distributor, licensed-special-fuel-dealer or~~  
9 ~~licensed-special-fuel-user~~ person who has paid or has had  
10 charged to the person's account with a distributor, dealer, or  
11 ~~special-fuel-dealer~~ user fuel taxes imposed under this chapter  
12 with respect to motor fuel or undyed special fuel in excess of  
13 one hundred gallons, which is subsequently lost or destroyed,  
14 while the person is the owner, through leakage, fire,  
15 explosion, lightning, flood, storm, or other casualty, except  
16 evaporation, shrinkage, or unknown causes, the person shall be  
17 entitled to a refund of the tax so paid or charged. To  
18 qualify for the refund, the person shall notify the department  
19 of revenue and finance in writing of the loss or destruction  
20 and the gallonage lost or destroyed within ten days from the  
21 date of discovery of the loss or destruction. Within sixty  
22 days after filing the notice, the person shall file with the  
23 department of revenue and finance an affidavit sworn to by the  
24 person having immediate custody of the motor fuel or undyed  
25 special fuel at the time of the loss or destruction setting  
26 forth in full the circumstances and amount of the loss or  
27 destruction and such other information as the department of  
28 revenue and finance may require. Any refund payable under  
29 this section may be applied by the department against any tax  
30 liability outstanding on the books of the department against  
31 the claimant.

32 Sec. 34. Section 452A.73, Code 1995, is amended to read as  
33 follows:

34 452A.73 EMBEZZLEMENT OF FUEL TAX MONEY -- PENALTY.

35 Every sale of motor fuel in this state and every sale of

1 undyed special fuel dispensed by the seller into a fuel supply  
2 tank of a motor vehicle shall, unless otherwise provided, be  
3 presumed to include as a part of the purchase price the fuel  
4 tax due the state of Iowa under the provisions of this  
5 chapter. Every person collecting fuel tax money as part of  
6 the selling price of motor fuel or undyed special fuel, shall  
7 hold the tax money in trust for the state of Iowa unless the  
8 fuel tax on the fuel has been previously paid to the state of  
9 Iowa. Any person receiving fuel tax money in trust and  
10 failing to remit it to the department of revenue and finance  
11 on or before time required shall be guilty of theft.

12 Sec. 35. Section 452A.74, Code 1995, is amended to read as  
13 follows:

14 452A.74 UNLAWFUL ACTS -- PENALTY.

15 It shall be unlawful:

16 1. For any person to knowingly fail, neglect, or refuse to  
17 make any required return or statement or pay over fuel taxes  
18 ~~as-herein~~ required under this section.

19 2. For any person to knowingly make any false, incorrect,  
20 or materially incomplete record required to be kept or made  
21 ~~under the-provisions-of~~ this chapter, to refuse to offer  
22 required books and records to the department of revenue and  
23 finance or the state department of transportation for  
24 inspection on demand or to refuse to permit the department of  
25 revenue and finance or the state department of transportation  
26 to examine the person's motor fuel or undyed special fuel  
27 storage tanks and handling or dispensing equipment.

28 3. For any seller to issue or any purchaser to receive and  
29 retain any incorrect or false invoice or sales ticket in  
30 connection with the sale or purchase of motor fuel or undyed  
31 special fuel.

32 4. For any claimant to alter any invoice or sales ticket,  
33 whether the invoice or sales ticket is to be used to support a  
34 claim for refund or income tax credit or not, provided,  
35 however, if a claimant's refund permit ~~shall-have~~ has been

1 revoked for cause as provided in section 452A.19 such the  
2 revocation shall be serve as a bar to prosecution for  
3 violation of this subsection.

4 5. For any person to act as a motor-fuel-distributor,  
5 special-fuel supplier, restrictive supplier, importer,  
6 exporter, blender, compressed natural gas or liquefied  
7 petroleum gas dealer or special-fuel user without the required  
8 license.

9 6. For any person to use motor fuel or, undyed special  
10 fuel, or illegal use of dyed special fuel in the fuel supply  
11 tank of a vehicle with respect to which the person knowingly  
12 has not paid or had charged to the person's account with a  
13 distributor or dealer, or with respect to which does not  
14 within the time required in this chapter report and pay the  
15 applicable fuel tax.

16 7. For any special-fuel licensed compressed natural gas or  
17 liquefied petroleum gas dealer or user to dispense special  
18 fuel compressed natural gas or liquefied petroleum gas into  
19 the fuel supply tank of any motor vehicle without collecting  
20 the fuel tax.

21 ~~8.--For-special-fuel-dealers-or-special-fuel-distributors~~  
22 ~~to-deliver-special-fuel-on-a-tax-paid-basis-into-a-tank-with-a~~  
23 ~~capacity-greater-than-one-thousand-fifty-gallons.~~

24 9. 8. Any delivery by a distributor of special-fuel  
25 compressed natural gas or liquefied petroleum gas to a  
26 compressed natural gas or liquefied petroleum gas dealer or  
27 user for the purpose of evading the state tax on special-fuels  
28 compressed natural gas or liquefied petroleum gas, into  
29 facilities other than those licensed above knowing that said  
30 the fuel will be used as-special-fuel for highway use shall  
31 constitute a violation of this section. Any compressed  
32 natural gas or liquefied petroleum gas dealer or user for  
33 purposes of evading the state tax on special-fuel compressed  
34 natural gas or liquefied petroleum gas, who allows a  
35 distributor to place special-fuel compressed natural gas or

1 liquefied petroleum gas for highway use in facilities other  
2 than those licensed above ~~will~~, shall also be deemed in  
3 violation of this section.

4 A person found guilty of an offense specified in this  
5 section is guilty of a fraudulent practice. For purposes of  
6 determining the place of trial, the situs of an offense  
7 specified in this section is in the county of the residence of  
8 the person charged with the offense. However, if the person  
9 is a nonresident or the person's residence cannot be  
10 determined, the situs of the offense is in Polk county.  
11 Prosecution for an offense specified in this section shall be  
12 commenced within six years following its commission.

13 Sec. 36. NEW SECTION. 452A.74A PENALTY AND ENFORCEMENT  
14 PROVISIONS.

15 In addition to the tax or additional tax, the following  
16 fines and penalties shall apply:

17 1. ILLEGAL USE OF DYED FUEL. The illegal use of dyed fuel  
18 in the supply tank of a motor vehicle shall result in a civil  
19 penalty assessed against the owner or operator of the motor  
20 vehicle as follows:

21 a. A two hundred dollar fine for the first violation.

22 b. A five hundred dollar fine for a second violation  
23 within three years of the first violation.

24 c. A one thousand dollar fine for third and subsequent  
25 violations within three years of the first violation.

26 2. ILLEGAL IMPORTATION OF UNTAXED FUEL. A person who  
27 illegally imports motor fuel or undyed special fuel without a  
28 valid importer's license or supplier's license shall be  
29 assessed a civil penalty as provided in this subsection.  
30 However, the owner or operator of the importing vehicle shall  
31 not be guilty of violating this subsection if it is shown by  
32 the owner or operator that the owner or operator reasonably  
33 did not know or reasonably should not have known of the  
34 illegal importation.

35 a. For a first violation, the importing vehicle shall be

1 detained and a fine of two thousand dollars shall be paid  
2 before the vehicle will be released. The owner or operator of  
3 the importing vehicle or the owner of the fuel may be held  
4 liable for payment of the fine.

5 b. For a second violation, the importing vehicle shall be  
6 detained and a fine of five thousand dollars shall be paid  
7 before the vehicle will be released. The owner or operator of  
8 the importing vehicle or the owner of the fuel may be held  
9 liable to pay the fine.

10 c. For third and subsequent violations, the importing  
11 vehicle and the fuel shall be seized and a fine of ten  
12 thousand dollars shall be paid before the vehicle will be  
13 released. The owner or operator of the importing vehicle or  
14 the owner of the fuel may be held liable to pay the fine.

15 d. If the owner or operator of the importing vehicle or  
16 the owner of the fuel fail to pay the tax and fine for a first  
17 or second offense, the importing vehicle and the fuel may be  
18 seized. The department of revenue and finance, the state  
19 department of transportation, or any peace officer, at the  
20 request of either department, may seize the vehicle and the  
21 fuel.

22 e. If the operator or owner of the importing vehicle or  
23 the owner of the fuel move the vehicle or the fuel after the  
24 vehicle has been detained and a sticker has been placed on the  
25 vehicle stating that "This vehicle cannot be moved until the  
26 tax, penalty, and interest have been paid to the Department of  
27 Revenue and Finance", an additional penalty of five thousand  
28 dollars shall be assessed against the operator or owner of the  
29 importing vehicle or the owner of the fuel.

30 f. For purposes of this subsection, "vehicle" means as  
31 defined in section 321.1.

32 3. IMPROPER RECEIPT OF FUEL CREDIT OR REFUND. If a person  
33 files an incorrect refund claim, in addition to the amount of  
34 the claim, a penalty of ten percent shall be added to the  
35 amount by which the amount claimed and refunded exceeds the

1 amount actually due and shall be paid to the department. If a  
2 person knowingly files a fraudulent refund claim with the  
3 intent to evade the tax, the penalty shall be seventy-five  
4 percent in lieu of the ten percent. The person shall also pay  
5 interest on the excess refunded at the rate per month  
6 specified in section 421.7, counting each fraction of a month  
7 as an entire month, computed from the date the refund was  
8 issued to the date the excess refund is repaid to the state.

9 4. ILLEGAL HEATING OF FUEL. The deliberate heating of  
10 taxable motor fuel or special fuel by dealers prior to  
11 consumer sale is a simple misdemeanor.

12 5. PREVENTION OF INSPECTION. The department of revenue  
13 and finance or the state department of transportation may  
14 conduct inspections for coloration, markers, and shipping  
15 papers at any place where taxable fuel is or may be loaded  
16 into transport vehicles, produced, or stored. Any attempts by  
17 a person to prevent, stop, or delay an inspection of fuel or  
18 shipping papers by authorized personnel shall be subject to a  
19 civil penalty of not more than one thousand dollars per  
20 occurrence. Any law enforcement officer or department of  
21 revenue and finance or state department of transportation  
22 employee may physically inspect, examine or otherwise search  
23 any tank, reservoir, or other container that can or may be  
24 used for the production, storage, or transportation of any  
25 type of fuel.

26 6. FAILURE TO CONSPICUOUSLY LABEL A FUEL PUMP. A retailer  
27 who does not conspicuously label a fuel pump or other delivery  
28 facility as required by the internal revenue service, that  
29 dispenses dyed diesel fuel so as to notify customers that it  
30 contains dyed diesel fuel, shall pay to the department a  
31 penalty of one hundred dollars per occurrence.

32 7. FALSE OR FRAUDULENT RETURN. Any person, including an  
33 officer of a corporation or a manager of a limited liability  
34 company, who is required to make, render, sign, or verify any  
35 report or return required by this chapter and who makes a

1 false or fraudulent report, or who fails to file a report or  
2 return with the intent to evade the tax, shall be guilty of a  
3 fraudulent practice. Any person who aids, abets, or assists  
4 another person in making any false or fraudulent return or  
5 false statement in any return with the intent to evade payment  
6 of tax shall be guilty of a fraudulent practice.

7 Sec. 37. Section 452A.76, Code 1995, is amended to read as  
8 follows:

9 452A.76 ENFORCEMENT AUTHORITY.

10 Authority-is-given-to-the-department-of-revenue-and-finance  
11 to-enforce-the-provisions-of-this-chapter-except-division-III.  
12 Employees-of-the-department-of-revenue-and-finance-designated  
13 as-enforcement-employees-have-the-power-of-peace-officers-in  
14 the-performance-of-such-duties:

15 Authority to enforce division III is given to the state  
16 department of transportation. Employees of the department of  
17 transportation designated enforcement employees have the power  
18 of peace officers in the performance of their duties; however,  
19 they shall not be considered members of the Iowa highway  
20 safety patrol. The department of transportation shall furnish  
21 enforcement employees with necessary equipment and supplies in  
22 the same manner as provided in section 80.18, including  
23 uniforms which are distinguishable in color and design from  
24 those of the Iowa highway safety patrol. Enforcement  
25 employees shall be furnished and shall conspicuously display  
26 badges of authority.

27 It-is-the-duty-of-all-peace-officers-to-see-that-the  
28 provisions-of-this-chapter-are-not-violated,-and-to-respond-to  
29 the-call-of-the-department-of-revenue-and-finance-and-state  
30 department-of-transportation-to-make-investigations-in-their  
31 respective-counties-and-report-to-the-department-of-revenue  
32 and-finance-and-state-department-of-transportation:--Peace  
33 officers-are-authorized-to-stop-a-conveyance-suspected-to-be  
34 illegally-transporting-motor-fuel-on-the-highways,-to  
35 investigate-the-cargo-for-that-purpose-and-to-seize-and

1 ~~impound the cargo and conveyance when it appears that the~~  
2 ~~conveyance is being operated in violation of the provisions of~~  
3 ~~this chapter.~~

4 Authority is given to the department of revenue and  
5 finance, the state department of transportation, the  
6 department of public safety, and any peace officer as  
7 requested by such departments to enforce the provisions of  
8 division I and this division of this chapter. The department  
9 of revenue and finance shall adopt rules providing for  
10 enforcement under division I and this division of this chapter  
11 regarding the use of motor fuel or special fuel in implements  
12 of husbandry. Enforcement personnel or requested peace  
13 officers are authorized to stop a conveyance suspected to be  
14 illegally transporting motor fuel or special fuel on the  
15 highways, to investigate the cargo and also have the authority  
16 to inspect or test the fuel in the supply tank of a conveyance  
17 to determine if legal fuel is being used to power the  
18 conveyance. The operator of any vehicle transporting motor  
19 fuel or special fuel shall, upon request, produce and offer  
20 for inspection the manifest or loading and delivery invoices  
21 pertaining to the load and trip in question and shall permit  
22 the authority to inspect and measure the contents of the  
23 vehicle. If the vehicle operator fails to produce the  
24 evidence or if, when produced, the evidence fails to contain  
25 the required information and it appears that there is an  
26 attempt to evade payment of the fuel tax, the vehicle operator  
27 will be subject to the penalty provisions contained in section  
28 452A.74A. For purposes of this section, "vehicle" means as  
29 defined in section 321.1.

30 Sec. 38. Section 452A.80, Code 1995, is amended to read as  
31 follows:

32 452A.80 MICROFILM OR PHOTOGRAPHIC COPIES -- ORIGINALS  
33 DESTROYED.

34 The appropriate state agency shall have the power and  
35 authority to record, copy or reproduce by any photographic,

1 photostatic, microfilm, microcard, miniature photographic or  
2 other process which accurately reproduces or forms a durable  
3 medium for so reproducing the original of any forms or records  
4 pertaining to motor fuel tax or undyed special fuel tax, or  
5 any paper or document with respect to refund of ~~such the~~ tax,  
6 ~~and-when-such.~~ If the forms and records ~~shall~~ have been so  
7 reproduced in accordance with this section, the state agency  
8 ~~shall-have-the-power-to~~ may destroy the originals and ~~such the~~  
9 reproductions shall be competent evidence in any court in  
10 accordance with the provision of section 622.30.

11 Sec. 39. Section 452A.84, Code 1995, is amended to read as  
12 follows:

13 452A.84 TRANSFER TO STATE GENERAL FUND.

14 The treasurer of state shall transfer from the motor fuel  
15 tax fund to the general fund of the state that portion of  
16 moneys collected under this chapter attributable to motor fuel  
17 used in watercraft computed as follows:

18 1. Determine monthly the total amount of motor fuel tax  
19 collected under this chapter and multiply the amount by nine-  
20 tenths of one percent.

21 2. Subtract from the figure computed pursuant to  
22 subsection 1 of this section three percent of the figure for  
23 administrative costs and further subtract from the figure the  
24 amounts refunded to commercial fishers pursuant to section  
25 452A.17, subsection ~~13~~ 1, paragraph "a", subparagraph (7).

26 All moneys remaining after claims for refund and the cost of  
27 administration have been made shall be transferred to the  
28 general fund of the state.

29 Sec. 40. Section 452A.85, Code 1995, is amended to read as  
30 follows:

31 452A.85 TAX PAYMENT FOR STORED MOTOR FUEL, ETHANOL BLENDED  
32 GASOLINE, AND SPECIAL FUEL, COMPRESSED NATURAL GAS, AND  
33 LIQUEFIED PETROLEUM GAS -- PENALTY.

34 1. Persons having title to motor fuel, ethanol blended  
35 gasoline, or undyed special fuel, compressed natural gas, or

1 liquefied petroleum gas in storage and held for sale on the  
2 effective date of an increase in the excise tax rate imposed  
3 on motor fuel, ethanol blended gasoline, ~~or~~ undyed special  
4 fuel, compressed natural gas, or liquefied petroleum gas under  
5 this chapter shall be subject to an inventory tax based upon  
6 the gallonage in storage as of the close of the business day  
7 next preceding the effective date of the increased excise tax  
8 rate of motor fuel, ethanol blended gasoline, ~~or~~ undyed  
9 special fuel, compressed natural gas, or liquefied petroleum  
10 gas which will be subject to the increased excise tax rate.

11 2. Persons subject to the tax imposed under this section  
12 shall take an inventory to determine the gallonage in storage  
13 for purposes of determining the tax and shall report that the  
14 gallonage on-forms-provided-by-the-department-of-revenue-and  
15 finance and pay the tax due within thirty days of the  
16 prescribed inventory date. The department of revenue and  
17 finance shall adopt rules pursuant to chapter 17A as are  
18 necessary to ~~carry-out-the-provisions-of~~ administer this  
19 section.

20 3. The amount of the inventory tax is equal to the  
21 inventory tax rate times the gallonage in storage as  
22 determined under subsection 1. The inventory tax rate is  
23 equal to the difference of the increased excise tax rate less  
24 the previous excise tax rate.

25 Sec. 41. Section 452A.86, Code 1995, is amended to read as  
26 follows:

27 452A.86 METHOD OF DETERMINING GALLONAGE.

28 The exclusive method of determining gallonage of any  
29 purchases or sales of motor fuel ~~and~~, undyed special fuel,  
30 compressed natural gas, or liquefied petroleum gas as defined  
31 in this chapter and distillate fuels shall be on a gross  
32 volume basis. A temperature-adjusted or other method shall  
33 not be used, except as it applies to liquefied petroleum gas  
34 and the sale or exchange of petroleum products between  
35 petroleum refiners. All invoices, bills of lading, or other

1 records of sale or purchase and all reports or records  
2 required to be made, kept, and maintained by a distributor-or  
3 dealer supplier, restrictive supplier, importer, exporter,  
4 blender, or compressed natural gas or liquefied petroleum gas  
5 dealer or user shall be made, kept, and maintained on the  
6 gross volume basis. For purposes of this section, "distillate  
7 fuels" means any fuel oil, gas oil, topped crude oil, or other  
8 petroleum oils derived by refining or processing crude oil or  
9 unfinished oils which have a boiling range at atmospheric  
10 pressure which falls completely or in part between five  
11 hundred fifty and twelve hundred degrees Fahrenheit.

12 Sec. 42. INVENTORY OF UNDYED SPECIAL FUEL. Licensed  
13 dealers and users shall take inventory of the gallonage of  
14 undyed special fuel held in storage as of the effective date  
15 of this Act and pay to the department of revenue and finance,  
16 as specified in section 452A.85, subsection 2, a tax of  
17 twenty-two and one-half cents per gallon.

18 Sec. 43. Sections 452A.13, 452A.16, 452A.20, and 452A.31  
19 through 452A.38, Code 1995, are repealed.

20 Sec. 44. This Act takes effect January 1, 1996. All  
21 licenses and permits existing prior to the effective date of  
22 this Act, except for licenses and permits issued under  
23 division III of chapter 452A, shall be canceled at that time,  
24 notwithstanding the provisions of chapter 17A.

25 EXPLANATION

26 This bill changes the point of taxation for motor fuel and  
27 special fuel. Current law requires that a distributor of  
28 motor fuel be licensed and that the motor fuel tax be imposed  
29 upon and collected from the distributor based upon a formula  
30 as provided in section 452A.8. The bill makes it unlawful for  
31 any person to sell motor fuel or undyed special fuel within  
32 the state or to otherwise act as a supplier, restrictive  
33 supplier, importer, exporter, dealer, or user unless the  
34 person has a supplier's, restrictive supplier's, importer's,  
35 exporter's, dealer's, or user's license issued by the

1 department of revenue and finance. It adds new definitions  
2 for a blender, common or contract carrier, eligible purchaser,  
3 export, exporter, import, importer, licensed compressed  
4 natural gas and liquefied petroleum gas dealer, licensed  
5 compressed natural gas and liquefied petroleum gas user,  
6 restrictive supplier, special fuel, supplier, terminal,  
7 terminal operator, use, and withdrawn from terminal.

8 This bill provides that tax on all motor fuel or undyed  
9 special fuel will be collected by the person who owns the fuel  
10 immediately prior to being withdrawn from the terminal or by  
11 the person who causes the fuel to be imported into this state.  
12 This bill provides that motor fuel tax be imposed in  
13 accordance with the following:

14 1. For a supplier, upon the invoiced gallonage of all motor  
15 fuel or undyed special fuel withdrawn from a terminal for  
16 delivery in this state.

17 2. For a person who owns or causes fuel to be brought into  
18 the state by a restrictive supplier or importer, upon the  
19 invoiced gross gallonage of motor fuel or undyed special fuel  
20 that is imported.

21 3. For the blender, on total invoiced gross gallonage of  
22 alcohol or other product sold to be blended with motor fuel or  
23 special fuel.

24 4. Any other person who possesses taxable fuel upon which  
25 the tax has not been paid to a licensee. The bill allows the  
26 department of revenue and finance to assume responsibility for  
27 collection of the fuel tax from the purchaser if the seller is  
28 unable to collect the tax.

29 The bill provides that indelible dye meeting United States  
30 environmental protection agency and internal revenue service  
31 regulations must be added to fuel before or upon withdrawal at  
32 a terminal or refinery rack in order for the fuel to be exempt  
33 from the motor fuel tax and may be used only for exempt  
34 purposes.

35 Suppliers and distributors are allowed to prorate a

1 distribution allowance of not more than one and six-tenths  
2 percent of all gallons of motor fuel, with four-tenths percent  
3 retained by the supplier and one and two-tenths percent to the  
4 distributor and a distribution allowance of not more than  
5 seven-tenths percent of all gallons of undyed special fuel  
6 removed from a terminal during the reporting period, with  
7 thirty-five hundredths percent retained by the supplier and  
8 thirty-five hundredths percent to the distributor or dealer  
9 purchasing directly from the supplier.

10 The bill requires that terminal operators report the state  
11 of destination, date, terminal, purchaser, purchaser's federal  
12 identification number, bill of lading number, product sold and  
13 total gallons sold for each load of fuel removed from the  
14 terminal. Suppliers and restrictive suppliers are required to  
15 submit a monthly report showing state of destination, date,  
16 terminal, purchaser, purchaser's federal identification  
17 number, bill of lading number, product sold and total gallons  
18 sold for each load of fuel removed from the terminal.

19 Exchanges within a terminal are tax free. Importers are  
20 required to submit reports twice monthly, blenders are  
21 required to submit a supplier/importer report for fuel blended  
22 off-site of the terminal. All reports are due on the last day  
23 of the month following the month the fuel was removed from the  
24 terminal or imported except for importers, and the director of  
25 revenue and finance may require that reports be filed by  
26 electronic transmission. A supplier, restrictive supplier, or  
27 importer is required to pay the amount of tax due at the time  
28 of filing the report.

29 Current law allowed for a claim for a refund if the amount  
30 was greater than \$10. This bill allows a claim for a refund  
31 when the claimant has accumulated \$60 in credits and provides  
32 that if the \$60 credit has not been met in the calendar year,  
33 the credit may be claimed on the taxpayer's income tax return.

34 The bill provides penalties and enforcement provisions.  
35 For the illegal use of dyed fuel in the supply tank of a

1 vehicle, the owner or operator shall be assessed a civil  
2 penalty of \$200 for the first violation, \$500 for the second  
3 violation within three years of the first violation, and  
4 \$1,000 for a third and subsequent violation within three years  
5 of the first violation. For the illegal importation of motor  
6 fuel or undyed special fuel without a valid importer's or  
7 supplier's license, the owner or operator of the importing  
8 vehicle or the owner of the fuel shall be subject to a \$2,000  
9 civil penalty and detention of the importing vehicle until the  
10 fine is paid. However, the owner or operator of the importing  
11 vehicle will not be guilty if the owner or operator reasonably  
12 did not know or reasonably should not have known of the  
13 illegal importation. For a second violation, the importing  
14 vehicle is detained and a fine of \$5,000 must be paid before  
15 the vehicle will be released. For a third and subsequent  
16 violation, the importing vehicle and the fuel will be seized  
17 and a fine of \$10,000 must be paid before the vehicle is  
18 released. An additional \$5,000 fine is imposed if the vehicle  
19 or the fuel is moved before the tax, penalty, and interest is  
20 paid. The bill provides that a person who files an incorrect  
21 refund claim shall be subject to a 10 percent penalty for the  
22 amount by which the amount claimed and refunded exceeds the  
23 amount due. If a person files a fraudulent refund claim, the  
24 penalty is 75 percent of the amount by which the amount  
25 claimed and refunded exceeds the amount due. The bill  
26 provides that the deliberate heating of taxable motor fuel or  
27 special fuel by dealers prior to consumer sale is a simple  
28 misdemeanor and that anyone who attempts to prevent, stop, or  
29 delay an inspection of fuel or shipping papers is subject to a  
30 civil penalty of not more than \$1,000. The bill provides that  
31 a retailer who does not conspicuously label a fuel pump or  
32 other delivery facility is subject to a \$100 penalty.

33  
34  
35

SENATE FILE 480

S-3470

1 Amend Senate File 480 as follows:

- 2 1. Page 26, by striking lines 24 through 26 and  
3 inserting the following: "accumulated two hundred  
4 fifty dollars in credits for one calendar year. A  
5 claim for refund may be filed anytime within the  
6 calendar year that the two hundred fifty dollar  
7 minimum has been met. If the two hundred fifty  
8 dollar".
- 9 2. Page 26, line 29, by striking the word  
10 "claimant" and inserting the following: "taxpayer".
- 11 3. Page 26, line 30, by striking the word "sixty"  
12 and inserting the following: "two hundred fifty".
- 13 4. Page 40, by striking lines 8 through 12 and  
14 inserting the following: "division I and this  
15 division of this chapter. Enforcement personnel or  
16 requested peace".
- 17 5. Title page, by striking lines 2 and 3 and  
18 inserting the following: "vehicle fuel by requiring  
19 suppliers, restrictive suppliers, importers,  
20 exporters, dealers, users, or blenders".

By MARY NEUHAUSER

S-3470 FILED APRIL 18, 1995

ADOPTED (p. 1284)

SENATE FILE 480

S-3451

1 Amend Senate File 480 as follows:

- 2 1. Page 43, line 17, by inserting after the word  
3 "gallon." the following: "However, on-farm storage of  
4 undyed special fuel shall be exempt from the inventory  
5 requirements and the tax imposed under this section."

By MERLIN E. BARTZ

S-3451 FILED APRIL 17, 1995

**SENATE FILE 480  
FISCAL NOTE**

---

A fiscal note for Senate File 480 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

---

Senate File 480 relates to the State motor vehicle fuel tax. The Bill changes the point of taxation for motor fuel and special fuel to the supplier level. Under current law, gasoline is taxed at the distributor level, and diesel fuel is taxed at the dealer level. The Bill also makes references to dyed fuel and other issues related to the motor vehicle fuel tax.

**FISCAL IMPACT**

The Department of Revenue and Finance estimates that SF 480 will result in an increase in revenues to the Road Use Tax Fund of between \$11.0 million and \$16.0 million in FY 1996 and subsequent fiscal years.

The Bill is not expected to have any impact on taxpayers who currently remit tax lawfully.

(LSB 2317SV, JAM)

FILED APRIL 13, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR

Neubauer  
Iverson  
Palmer

SSB-349

Succeeded By Ways & Means  
SF/HF 480

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON PALMER)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to changing the point of taxation of motor  
2 vehicle fuel by requiring suppliers, restrictive suppliers,  
3 importers, exporters, dealers, users, or blenders licenses,  
4 changing reporting periods, and adding penalties.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

Revised By

1 Section 1. Section 323.1, subsection 4, Code 1995, is  
2 amended to read as follows:

3 4. "Distributor" means a person who holds a motor fuel  
4 distributor's license or a special fuel distributor's license  
5 issued as provided as defined in chapter 452A.

6 Sec. 2. Section 323.2, Code 1995, is amended to read as  
7 follows:

8 323.2 DISCONTINUING DISTRIBUTOR FRANCHISE.

9 Notwithstanding the terms, provisions or conditions of any  
10 distributor franchise, a franchiser shall not terminate or  
11 refuse to renew a distributor franchise except as provided in  
12 this chapter. A franchiser shall not terminate or refuse to  
13 renew a distributor franchise unless the franchiser gives to  
14 the distributor thirty days' written notice of franchiser's  
15 intent to terminate or not renew. Notice shall be given by  
16 restricted certified mail, as defined in section 618.15. If a  
17 distributor, within thirty days after the date of delivery of  
18 the notice from the franchiser, applies to the department for  
19 a hearing under this chapter, the distributor franchise shall  
20 remain in effect pending a final order by the department. The  
21 application filed by the distributor shall state, under oath,  
22 ~~that the distributor's license as a motor fuel or special fuel~~  
23 ~~distributor, as the case may be, has not been canceled~~  
24 ~~pursuant to the provisions of chapter 452A,~~ that the  
25 distributor has not filed a petition in bankruptcy or been  
26 declared bankrupt within six months preceding the filing of  
27 the application, that the franchiser has not withdrawn  
28 entirely from the sale for resale of motor fuel and special  
29 fuel in this state, that there are no past due sums owing by  
30 the distributor to the franchiser, and that the distributor  
31 has not consented in writing to the termination or nonrenewal  
32 of the distributor franchise.

33 Sec. 3. Section 323.6, subsection 3, Code 1995, is amended  
34 to read as follows:

35 3. The sale or change of ownership of the distributor's

1 business, ~~unless the transfer of the distributor's license~~  
2 ~~pursuant to chapter 452A is denied or the new owner is unable~~  
3 ~~to obtain a license under chapter 452A.~~

4 Sec. 4. Section 327A.1, subsection 4, Code 1995, is  
5 amended to read as follows:

6 4. "Transportation for compensation" shall ~~in addition to~~  
7 include all public transportation, ~~also include and~~  
8 transportation primarily for others ~~by a person, not a~~  
9 distributor licensed, but does not include a distributor as  
10 defined under chapter 452A, even though as an incident thereto  
11 the person buys the liquids at the point where the  
12 transportation originates and sells it at a delivered price at  
13 destination ~~and, except as otherwise provided,~~ However,  
14 transportation for compensation shall include transportation  
15 for others by a distributor ~~licensed~~ as defined under chapter  
16 452A or liquid products not owned by the distributor.

17 Sec. 5. Section 327A.15, Code 1995, is amended to read as  
18 follows:

19 327A.15 VEHICLES EXCEPTED.

20 Sections 327A.1 to 327A.14 shall not apply to ~~(1)~~  
21 transportation in bulk by a vehicle having a total cargo tank  
22 shell capacity of two thousand gallons or less, ~~(2)~~  
23 transportation by a distributor ~~licensed~~ as defined under  
24 chapter 452A incidental to and in the regular course of the  
25 business as a distributor of petroleum products, or ~~(3)~~  
26 reciprocal exchange between distributors ~~licensed~~ as defined  
27 under chapter 452A of transportation pursuant to an exchange  
28 of products between distributors ~~so-licensed~~.

29 Sec. 6. Section 422.110, unnumbered paragraph 1, Code  
30 1995, is amended to read as follows:

31 In lieu of the fuel tax refund provided in sections 452A.17  
32 to 452A.19, a person or corporation subject to taxation under  
33 divisions II or III of this chapter, except persons or  
34 corporations licensed under section 452A.4 ~~or 452A.36~~, may  
35 elect to receive an income tax credit for tax years beginning

1 on or after January 1, 1975. The person or corporation which  
2 elects to receive an income tax credit shall cancel its refund  
3 permit obtained under section 452A.18 within thirty days after  
4 the first day of its tax year or the permit becomes invalid at  
5 that time. For the purposes of this section, "person"  
6 includes a person claiming a tax credit based upon the  
7 person's pro rata share of the earnings from a partnership or  
8 corporation which is not subject to a tax under division II or  
9 III of this chapter as a partnership or corporation. If the  
10 election to receive an income tax credit has been made, it  
11 remains effective for at least one tax year, and for  
12 subsequent tax years unless a change is requested and a new  
13 refund permit applied for within thirty days after the first  
14 day of the person's or corporation's tax year. The income tax  
15 credit shall be the amount of the Iowa fuel tax paid on fuel  
16 purchased by the person or corporation and used as follows:

17 Sec. 7. Section 422.110, subsection 2, Code 1995, is  
18 amended to read as follows:

19 2. Special fuel as defined in section ~~452A:337-subsection~~  
20 ~~77~~ 452A.2 used for the purpose of operation of corn shellers,  
21 roller mills and feed grinders mounted on trucks.

22 Sec. 8. Section 452A.1, Code 1995, is amended to read as  
23 follows:

24 452A.1 SHORT TITLE.

25 This division, plus applicable provisions of division IV of  
26 this chapter ~~and-any-amendments-to-either~~ shall be known and  
27 may be cited as the "Motor Fuel and Special Fuel Tax Law~~7~~" and  
28 ~~as-so-constituted-is-hereinafter-referred-to-as-this-division.~~

29 Sec. 9. Section 452A.2, subsections 2 and 5, Code 1995,  
30 are amended by striking the subsections and inserting in lieu  
31 thereof the following:

32 2. "Dealer" means a person, other than a distributor, who  
33 engages in the business of selling or distributing motor fuel  
34 or special fuel to the end user in this state.

35 5. "Distributor" means a person who acquires tax paid

1 motor fuel or special fuel from a supplier, restrictive  
2 supplier or importer, or another distributor for subsequent  
3 sale at wholesale and distribution by tank cars or tank trucks  
4 or both. The department may require that the distributor be  
5 registered to have terminal purchase rights.

6 Sec. 10. Section 452A.2, subsection 7, Code 1995, is  
7 amended to read as follows:

8 7. "Licensee" ~~shall-mean-and-include~~ means any a person  
9 holding an uncanceled distributor's supplier's, restrictive  
10 supplier's, importer's, exporter's, dealer's, user's, or  
11 blender's license issued by the department under this division  
12 or any prior motor fuel tax law or any other person who  
13 possesses fuel for which the tax has not been paid.

14 Sec. 11. Section 452A.2, subsection 8, Code 1995, is  
15 amended to read as follows:

16 8. "Motor fuel" ~~shall-mean-(a)-all~~ means both of the  
17 following:

18 a. All products commonly or commercially known or sold as  
19 gasoline (including casinghead and absorption or natural  
20 gasoline) regardless of their classifications or uses, ~~and-(b)~~  
21 any.

22 b. Any liquid advertised, offered for sale, sold for use  
23 as, or commonly or commercially used as a fuel for propelling  
24 motor vehicles, which when subjected to distillation of  
25 gasoline, naphtha, kerosene and similar petroleum products  
26 (American Society of Testing Materials Designation D-86), show  
27 not less than ten per centum distilled (recovered) below three  
28 hundred forty-seven degrees Fahrenheit (one hundred seventy-  
29 five degrees Centigrade) and not less than ninety-five per  
30 centum distilled (recovered) below four hundred sixty-four  
31 degrees Fahrenheit (two hundred forty degrees Centigrade),  
32 ~~provided,-that-the-term-"motor.~~

33 "Motor fuel" shall does not include special fuel as-defined  
34 in-section-452A-33,-subsection-7, and shall does not include  
35 liquefied gases which would not exist as liquids at a

1 temperature of sixty degrees Fahrenheit and a pressure of  
2 fourteen and seven-tenths pounds per square inch absolute, nor  
3 or naphthas and solvents as-hereinafter-defined unless the  
4 liquefied gases or naphthas and solvents are used as a  
5 component in the manufacture, compounding, or blending of a  
6 liquid within ~~(b)~~-above paragraph "b", in which event the  
7 resulting product shall be deemed to be motor fuel.

8 Sec. 12. Section 452A.2, subsection 9, Code 1995, is  
9 amended by striking the subsection.

10 Sec. 13. Section 452A.2, Code 1995, is amended by adding  
11 the following new subsections:

12 NEW SUBSECTION. 1A. "Blender" means a person who owns and  
13 blends alcohol with gasoline to produce ethanol blended  
14 gasoline and blends the product at a nonterminal location.  
15 The blender is not restricted to blending alcohol with  
16 gasoline. Products blended with other than grain alcohol are  
17 treated and taxed as gasoline. "Blender" also means a person  
18 blending two or more special fuel products at a nonterminal  
19 location where the tax has not been paid on all of the  
20 products blended. The blend is taxed as a special fuel.

21 NEW SUBSECTION. 1B. "Common carrier" or "contract  
22 carrier" means a person involved in the movement of motor fuel  
23 or special fuel from the terminal or movement of the motor  
24 fuel or special fuel imported into this state, who is not an  
25 owner of the motor fuel or special fuel.

26 NEW SUBSECTION. 5A. "Eligible purchaser" means a  
27 distributor of motor fuel or special fuel or an end user of  
28 special fuel who has purchased a minimum of two hundred forty  
29 thousand gallons of special fuel each year in the preceding  
30 two years. Eligible purchasers who elect to make delayed  
31 payments to a licensed supplier shall use electronic funds  
32 transfer. Additional requirements for qualifying as an  
33 eligible purchaser shall be established by rule.

34 NEW SUBSECTION. 6A. "Export" means delivery across the  
35 boundaries of this state by or for the seller or purchaser

1 from a place of origin in this state.

2 NEW SUBSECTION. 6B. "Exporter" means a person or other  
3 entity who acquires fuel in this state exclusively for export  
4 to another state.

5 NEW SUBSECTION. 6C. "Import" means delivery across the  
6 boundaries of this state by or for the seller or purchaser  
7 from a place of origin outside this state.

8 NEW SUBSECTION. 6D. "Importer" means a person who imports  
9 motor fuel or undyed special fuel in bulk or transport load  
10 into the state by truck, rail, or barge.

11 NEW SUBSECTION. 6E. "Licensed compressed natural gas and  
12 liquefied petroleum gas dealer" means a person in the business  
13 of handling untaxed compressed natural gas or liquefied  
14 petroleum gas who delivers any part of the fuel into a fuel  
15 supply tank of any motor vehicle.

16 NEW SUBSECTION. 6F. "Licensed compressed natural gas and  
17 liquefied petroleum gas user" means a person licensed by the  
18 department who dispenses compressed natural gas or liquefied  
19 petroleum gas, upon which the special tax has not been  
20 previously paid, for highway use from fuel sources owned and  
21 controlled by the person into the fuel supply tank of a motor  
22 vehicle, or commercial vehicle owned or controlled by the  
23 person.

24 NEW SUBSECTION. 11A. "Restrictive supplier" means a  
25 person who imports motor fuel or undyed special fuel into this  
26 state in tank wagons or in small tanks not otherwise licensed  
27 as an importer.

28 NEW SUBSECTION. 11B. "Special fuel" means fuel oils and  
29 all combustible gases and liquids suitable for the generation  
30 of power for propulsion of motor vehicles or turbine-powered  
31 aircraft, and includes any substance used for that purpose,  
32 except that it does not include motor fuel.

33 NEW SUBSECTION. 11C. "Supplier" means a person who  
34 acquires motor fuel or special fuel by pipeline or marine  
35 vessel from a state, territory, or possession of the United

1 States, or from a foreign country for storage at and  
2 distribution from a terminal and who is registered under 26  
3 U.S.C. § 4101 for tax-free transactions in gasoline, a person  
4 who produces in this state or acquires by truck, railcar, or  
5 barge for storage at and distribution from a terminal, alcohol  
6 or alcohol derivative substances, or a person who produces,  
7 manufactures, or refines motor fuel or special fuel in this  
8 state. "Supplier" includes a person who does not meet the  
9 jurisdictional connection to this state but voluntarily agrees  
10 to act as a supplier for purposes of collecting and reporting  
11 the motor fuel or special fuel tax. "Supplier" does not  
12 include a retail dealer or wholesaler who merely blends  
13 alcohol with gasoline before the sale or distribution of the  
14 product or a terminal operator who merely handles, in a  
15 terminal, motor fuel or special fuel consigned to the terminal  
16 operator.

17 NEW SUBSECTION. 11D. "Terminal" means a motor fuel or  
18 special fuel storage and distribution facility that is  
19 supplied by a pipeline or a marine vessel and from which the  
20 fuel may be removed at a rack. "Terminal" does not include a  
21 facility at which motor fuel or special fuel blend stocks and  
22 additives are used in the manufacture of products other than  
23 motor fuel or special fuel and from which no motor fuel or  
24 special fuel are removed.

25 NEW SUBSECTION. 11E. "Terminal operator" means the person  
26 who by ownership or contractual agreement is charged with the  
27 responsibility for, or physical control over, and operation of  
28 a terminal. If co-venturers own a terminal, "terminal  
29 operator" means the person who is appointed to exercise the  
30 responsibility for, or physical control over, and operation of  
31 the terminal.

32 NEW SUBSECTION. 12A. "Use" means the receipt, delivery,  
33 or placing of liquefied petroleum gas by a licensed liquefied  
34 petroleum gas user into a fuel supply tank of a motor vehicle  
35 while the vehicle is in the state, except that with respect to

1 natural gas used as a special fuel, "use" means the receipt,  
2 delivery, or placing of the natural gas into equipment for  
3 compressing the gas for subsequent delivery into the fuel  
4 supply tank of a motor vehicle.

5 NEW SUBSECTION. 12B. "Withdrawn from terminal" means  
6 physical movement from a supplier to a distributor or eligible  
7 end user and includes an importer going out of state and  
8 obtaining fuel from a terminal and bringing the fuel into the  
9 state, and a restrictive supplier bringing fuel into the state  
10 even though not purchased directly from a terminal.

11 Sec. 14. Section 452A.3, Code 1995, is amended by striking  
12 the section and inserting in lieu thereof the following:

13 452A.3 LEVY OF EXCISE TAX.

14 1. For the privilege of operating motor vehicles in this  
15 state, an excise tax of twenty cents per gallon is imposed  
16 upon the use of all motor fuel used for any purpose except  
17 aviation gasoline and except motor fuel containing at least  
18 ten percent alcohol distilled from cereal grains grown in the  
19 United States for the period ending June 30, 2000, and except  
20 as otherwise provided in this division. For the privilege of  
21 operating aircraft in this state an excise tax of eight cents  
22 per gallon is imposed on the use of all aviation gasoline.

23 2. For the privilege of operating motor vehicles in this  
24 state, an excise tax of nineteen cents per gallon until June  
25 30, 2000, is imposed upon the use of motor fuel containing at  
26 least ten percent alcohol distilled from cereal grains grown  
27 in the United States and used for any purpose except as  
28 otherwise provided in this division.

29 3. For the privilege of operating motor vehicles or  
30 aircraft in this state, there is imposed an excise tax on the  
31 use of special fuel in a motor vehicle or aircraft. The tax  
32 rate on special fuel for diesel engines of motor vehicles is  
33 twenty-two and one-half cents per gallon. The rate of tax on  
34 special fuel for aircraft is three cents per gallon. On all  
35 other special fuel the per gallon rate is the same as the

1 motor fuel tax. Indelible dye meeting United States  
2 environmental protection agency and internal revenue service  
3 regulations must be added to fuel before or upon withdrawal at  
4 a terminal or refinery rack for that fuel to be exempt from  
5 tax and may be used only for an exempt purpose.

6 4. For compressed natural gas used as a special fuel, the  
7 rate of tax that is equivalent to the motor fuel tax shall be  
8 sixteen cents per hundred cubic feet adjusted to a base  
9 temperature of sixty degrees Fahrenheit and a pressure of  
10 fourteen and seventy-three hundredths pounds per square inch  
11 absolute.

12 5. The tax shall be paid by the following:

13 a. The supplier, upon the invoiced gross gallonage of all  
14 motor fuel or undyed special fuel withdrawn from a terminal  
15 for delivery in this state.

16 b. The person who owns or causes the fuel to be brought  
17 into the state by a restrictive supplier or importer, upon the  
18 invoiced gross gallonage of motor fuel or undyed special fuel  
19 imported.

20 c. The blender on total invoiced gross gallonage of  
21 alcohol or other product sold to be blended with gasoline or  
22 special fuel.

23 d. Any other person who possesses taxable fuel upon which  
24 the tax has not been paid to a licensee.

25 However, the tax shall not be imposed or collected under  
26 this division with respect to motor fuel or special fuel sold  
27 for export or exported from this state to any other state,  
28 territory, or foreign country.

29 6. Thereafter, except as otherwise provided in this  
30 division, the per gallon amount of the tax shall be added to  
31 the selling price of every gallon of such motor fuel or undyed  
32 special fuel sold in this state and shall be collected from  
33 the purchaser so that the ultimate consumer bears the burden  
34 of the tax.

35 Sec. 15. Section 452A.4, Code 1995, is amended to read as

1 follows:

2 452A.4 DISTRIBUTOR'S SUPPLIER'S, RESTRICTIVE SUPPLIER'S,  
3 IMPORTER'S, EXPORTER'S, DEALER'S, AND USER'S LICENSE.

4 1. It shall be unlawful for any person to receive sell  
5 motor fuel or undyed special fuel within this state or to  
6 otherwise act as a distributor supplier, restrictive supplier,  
7 importer, exporter, dealer, or user unless the person holds an  
8 uncanceled distributor's license issued by the department. To  
9 procure a license a distributor supplier, restrictive  
10 supplier, importer, exporter, dealer, or user shall file with  
11 the department an application signed under penalty for false  
12 certificate and-in-such-form-as-the-department-may-prescribe,  
13 setting forth and complying with all of the following:

14 1- a. The name under which the distributor licensee will  
15 transact business in the this state of-Iowa.

16 2- b. The location, with street number address, of the  
17 principal office or place of business of the distributor  
18 licensee within this state.

19 3- c. The name and complete residence address of the owner  
20 or the names and addresses of the partners, if the distributor  
21 licensee is a partnership, or the names and addresses of the  
22 principal officers, if the distributor licensee is a  
23 corporation or association.

24 d. A dealer's or user's license shall be required for each  
25 separate place of business or location where compressed  
26 natural gas or liquefied petroleum gas is delivered or placed  
27 into the fuel supply tank of a motor vehicle.

28 e. An applicant for an exporter's license shall provide  
29 verification as required by the department that the applicant  
30 has the appropriate license valid in the state or states into  
31 which the motor fuel or undyed special fuel will be exported.

32 2. a. The department may deny the issuance of a license  
33 to an applicant who is substantially delinquent in the payment  
34 of a tax due, or the interest or penalty on the tax,  
35 administered by the department. If the applicant is a

1 partnership, a license may be denied if a partner owes any  
2 delinquent tax, interest, or penalty. If the applicant is a  
3 corporation, a license may be denied if any officer having a  
4 substantial legal or equitable interest in the ownership of  
5 the corporation owes any delinquent tax, interest, or penalty  
6 of the applicant corporation.

7 b. ~~If-(a)-any~~ The department may deny the issuance of a  
8 license if an application for a license to transact business  
9 as a distributor supplier, restrictive supplier, importer,  
10 exporter, dealer, or user in this state ~~shall-be~~ is filed by  
11 any a person whose license ~~shall-have~~ or registration has been  
12 canceled for cause at any time theretofore under the  
13 provisions of the this chapter or any prior motor fuel tax  
14 law, ~~or-(b) if~~ if the department ~~shall-be-of-the-opinion has~~  
15 reason to believe that such the application is not filed in  
16 good faith, or ~~(c) if~~ if the application is filed by some person  
17 as a subterfuge for the real person in interest whose license  
18 or registration ~~shall-theretofore-have~~ has been canceled for  
19 cause under the provisions of this chapter or any prior motor  
20 fuel tax law, ~~the department, after a hearing of which the~~  
21 ~~applicant shall have been given fifteen days' notice in~~  
22 ~~writing and in which said.~~ The applicant shall be given  
23 fifteen days' notice in writing of the date of the hearing and  
24 shall have the right to appear in person or by counsel and  
25 present testimony, ~~shall have and is hereby given the right~~  
26 ~~and authority to refuse to issue to the applicant a~~  
27 ~~distributor's license.~~

28 ~~Upon the filing of the application, a filing fee of ten~~  
29 ~~dollars shall be paid to the department.~~

30 3. a. The application in proper form having been accepted  
31 for filing, ~~the filing fee paid~~ and the other conditions and  
32 requirements of this section and division IV having been  
33 complied with, the department shall issue to the applicant a  
34 license to transact business as a distributor supplier,  
35 restrictive supplier, importer, exporter, dealer, or user in

1 this state. The license shall remain in full force and effect  
2 until canceled as provided in this chapter.

3 b. The license shall not be assignable and shall be valid  
4 only for the distributor licensee in whose name it is issued.

5 c. The department shall keep and file all applications and  
6 ~~bonds with-an-alphabetical-index-thereof,-together-with~~ and a  
7 record of all licensees.

8 Sec. 16. Section 452A.5, Code 1995, is amended by striking  
9 the section and inserting in lieu thereof the following:

10 452A.5 DISTRIBUTION ALLOWANCE.

11 A supplier shall retain a distribution allowance of not  
12 more than one and six-tenths percent of all gallons of motor  
13 fuel and a distribution allowance of not more than seven-  
14 tenths percent of all gallons of undyed special fuel removed  
15 from the terminal during the reporting period for purposes of  
16 tax computation under section 452A.8.

17 The distribution allowance shall be prorated between the  
18 supplier and the distributor as follows:

19 1. Motor fuel: four-tenths percent retained by the  
20 supplier, one and two-tenths percent to the distributor.

21 2. Undyed special fuel: thirty-five hundredths percent  
22 retained by the supplier, thirty-five hundredths percent to  
23 the distributor or dealer purchasing directly from a supplier.  
24 Gallons exported outside of the state shall not be included in  
25 the calculation of the distribution.

26 Sec. 17. Section 452A.6, Code 1995, is amended to read as  
27 follows:

28 452A.6 ETHANOL BLENDED GASOLINE BLENDER'S LICENSE.

29 A person other than a distributor supplier, restrictive  
30 supplier, or importer licensed under this division, who blends  
31 motor-fuel-containing-at-least-ten-percent gasoline with  
32 alcohol distilled from agricultural-products cereal grains so  
33 that the blend contains at least ten percent alcohol distilled  
34 from cereal grains, shall obtain a blender's license. The  
35 license shall be obtained by following the procedure as-set

1 ~~forth-in~~ under section 452A.4 and the license is subject to  
2 the same restrictions as contained in that section. Each A  
3 blender shall maintain records as required by section 452A.10  
4 as to motor fuel, alcohol, and ethanol blended gasoline.

5 Sec. 18. NEW SECTION. 452A.7 FOREIGN SUPPLIERS.

6 The director, upon application, may authorize the  
7 collection and reporting of the tax by any supplier not having  
8 jurisdictional connections with this state. A foreign  
9 supplier shall be issued a license to collect and report the  
10 tax and shall be subject to the same regulations and  
11 requirements as suppliers having a jurisdictional connection  
12 with the state, or other regulations and agreements as  
13 prescribed by the director.

14 Sec. 19. Section 452A.8, Code 1995, is amended by striking  
15 the section and inserting in lieu thereof the following:

16 452A.8 TAX REPORTS -- COMPUTATION AND PAYMENT OF TAX --  
17 CREDITS.

18 1. For the purpose of determining the amount of the  
19 supplier's, restrictive supplier's, or importer's tax  
20 liability, a supplier or restrictive supplier shall file, not  
21 later than the last day of the month following the month in  
22 which this division becomes effective and not later than the  
23 last day of each calendar month thereafter, and an importer  
24 shall file a report semi-monthly with the department, signed  
25 under penalty for false certification. For an importer for  
26 the reporting period from the first day of the month through  
27 the fifteenth of the month, the report is due on the last day  
28 of the month. For an importer for the reporting period from  
29 the sixteenth of the month through the last day of the month  
30 the report is due on the fifteenth day of the following month.  
31 The reports shall include the following:

32 a. A statement of the number of invoiced gallons of motor  
33 fuel and undyed special fuel withdrawn from the terminal by  
34 the licensee within this state during the preceding calendar  
35 month in such detail as determined by the department. This

1 includes on-site blending reports at the terminal.

2 b. For information purposes only, a supplier, restrictive  
3 supplier, or importer shall show the number of invoiced  
4 gallons of dyed special fuel withdrawn from the terminal.

5 c. A statement showing the deductions authorized in this  
6 division in such detail and with such supporting evidence as  
7 required by the department.

8 d. Any other information the department may require for  
9 the enforcement of this chapter.

10 2. At the time of filing of a report, a supplier,  
11 restrictive supplier, or importer shall pay to the department  
12 the full amount of the fuel tax due for the preceding calendar  
13 month computed as follows:

14 a. From the total number of invoiced gallons of motor fuel  
15 or undyed special fuel withdrawn from the terminal by the  
16 licensee within the state during the preceding calendar month  
17 the following deductions shall be made:

18 (1) The gallonage of motor fuel or undyed special fuel  
19 withdrawn from a terminal by a licensee and exported outside  
20 Iowa.

21 (2) For suppliers only, the one and six-tenths percent of  
22 the number of gallons of motor fuel or seven-tenths percent of  
23 the number of gallons of undyed special fuel of the invoiced  
24 gallons of motor fuel or undyed special fuel withdrawn from a  
25 terminal within this state during the preceding calendar  
26 month.

27 b. The number of invoiced gallons remaining after the  
28 deductions in paragraph "a" shall be multiplied by the per  
29 gallon fuel tax rate.

30 c. The tax due under paragraph "b" shall be the amount of  
31 fuel tax due from the supplier, restrictive supplier, or  
32 importer for the preceding reporting period. The director may  
33 require by rule that the payment of taxes by suppliers,  
34 restrictive suppliers, and importers be made by electronic  
35 funds transfer. The director may allow a tax float by rule

1 where the eligible purchaser is not required to pay the tax to  
2 the supplier until one business day prior to the date the tax  
3 is due. Any credit calculated by the supplier, restrictive  
4 supplier, or importer may be applied against the amount due.  
5 A licensed supplier who is unable to recover the tax from an  
6 eligible purchaser is not liable for the tax, upon proper  
7 documentation, and may credit the amount of unpaid tax against  
8 a later remittance of tax. Under this provision, a supplier  
9 does not qualify for a credit if the purchaser did not elect  
10 to use the eligible purchaser status, or otherwise does not  
11 qualify to be an eligible purchaser. To qualify for the  
12 credit, the supplier must notify the department of the  
13 uncollectible account no later than ten calendar days after  
14 the due date for payment of the tax. If a supplier sells  
15 additional motor fuel or undyed special fuel to a delinquent  
16 eligible purchaser after notifying the department that the  
17 supplier has an uncollectible debt with that eligible  
18 purchaser, the limited liability provision does not apply to  
19 the additional fuel. The supplier is liable for tax collected  
20 from the purchaser.

21 d. The director may require by rule that reports be filed  
22 by electronic transmission.

23 e. The tax for compressed natural gas and liquefied  
24 petroleum gas delivered by a licensed compressed natural gas  
25 or liquefied petroleum gas dealer for use in this state shall  
26 attach at the time of the delivery and shall be collected by  
27 the dealer from the consumer and paid to the department as  
28 provided in this chapter. The tax, with respect to compressed  
29 natural gas and liquefied petroleum gas acquired by a consumer  
30 in any manner other than by delivery by a licensed compressed  
31 natural gas or liquefied petroleum gas dealer into a fuel  
32 supply tank of a motor vehicle, attaches at the time of the  
33 use of the fuel and shall be paid over to the department by  
34 the consumer as provided in this chapter.

35 The department shall adopt rules governing the dispensing

1 of compressed natural gas and liquefied petroleum gas by  
2 licensed dealers and licensed users. For purposes of this  
3 paragraph "dealer" and "user" means a licensed compressed  
4 natural gas or liquefied petroleum gas dealer or user and  
5 "fuel" means compressed natural gas or liquefied petroleum  
6 gas. The department shall require that all pumps located at  
7 dealer locations and user locations through which liquefied  
8 petroleum gas can be dispensed, metered, inspected, tested for  
9 accuracy, and sealed and licensed by the state department of  
10 agriculture and land stewardship, and that fuel delivered into  
11 the fuel supply tank of any motor vehicle shall be dispensed  
12 only through tested metered pumps and may be sold without  
13 temperature correction or corrected to a temperature of sixty  
14 degrees. If the metered gallonage is to be temperature-  
15 corrected, only a temperature-compensated meter shall be used.  
16 Natural gas used as fuel shall be delivered into compressing  
17 equipment through sealed meters certified for accuracy by the  
18 department of agriculture and land stewardship.

19 All gallonage which is not for highway use, dispensed  
20 through metered pumps as licensed under this section on which  
21 fuel tax is not collected, must be substantiated by exemption  
22 certificates as provided by the department or by valid  
23 exemption certificates provided by the dealers, signed by the  
24 purchaser, and retained by the dealer. A "valid exemption  
25 certificate provided by a dealer" is an exemption certificate  
26 which is in the form prescribed by the director to assist a  
27 dealer to properly account for fuel dispensed for which tax is  
28 not collected and which is complete and correct according to  
29 the requirements of the director.

30 For the privilege of purchasing liquefied petroleum gas,  
31 dispensed through licensed metered pumps, on a basis exempt  
32 from the tax, the purchaser shall sign exemption certificates  
33 for the gallonage claimed which is not for highway use.

34 The department shall disallow all sales of gallonage which  
35 is not for highway use unless proof is established by the

1 certificate. Exemption certificates shall be retained by the  
2 dealer for a period of three years.

3 (1) For the purpose of determining the amount of liability  
4 for fuel tax, each dealer and each user shall file with the  
5 department not later than the last day of the month following  
6 the month in which this division becomes effective and not  
7 later than the last day of each calendar month thereafter a  
8 monthly tax return certified under penalties for false  
9 certification. The return shall show, with reference to each  
10 location at which fuel is delivered or placed by the dealer or  
11 user into a fuel supply tank of any motor vehicle during the  
12 next preceding calendar month, information as required by the  
13 department.

14 (2) The amount of tax due shall be computed by multiplying  
15 the appropriate tax rate per gallon by the number of gallons  
16 of fuel delivered or placed by the dealer or user into supply  
17 tanks of motor vehicles.

18 (3) The return shall be accompanied by remittance in the  
19 amount of the tax due for the month in which the fuel was  
20 placed into the supply tanks of motor vehicles.

21 3. For the purpose of determining the amount of the tax  
22 liability on alcohol blended to produce ethanol blended  
23 gasoline, each licensed blender shall, not later than the last  
24 day of each month following the month in which the blending is  
25 done, file with the department a monthly report, signed under  
26 penalty for false certificate, containing information required  
27 by rules adopted by the director.

28 4. A person who possesses fuel or uses fuel in a motor  
29 vehicle upon which no tax has been paid by a licensee in this  
30 state is subject to reporting and paying the applicable tax.

31 Sec. 20. Section 452A.9, Code 1995, is amended to read as  
32 follows:

33 452A.9 REPORT FROM PERSONS NOT LICENSED AS DISTRIBUTORS  
34 SUPPLIERS, RESTRICTIVE SUPPLIERS, OR IMPORTERS.

35 Every person other than a licensed distributor supplier,

1 restrictive supplier, or importer, who shall-purchase  
2 purchases, bring brings into this state, or otherwise acquire  
3 acquires within this state motor fuel or undyed special fuel,  
4 not otherwise exempted, with-respect-to which such the person  
5 has knowingly not paid or incurred liability to pay either to  
6 a licensee or to a dealer the motor fuel or special fuel tax,  
7 shall be subject with-respect-to-the-motor-fuel to all the  
8 provisions of this division that apply to distributors-on  
9 suppliers, restrictive suppliers, and importers of motor fuel  
10 received-by-them-in-this-state or undyed special fuel and  
11 shall make the same reports and tax payments thereon and be  
12 subject to the same penalties for delinquent reporting or  
13 nonreporting or delinquent payment or nonpayment as apply to  
14 distributors suppliers, restrictive suppliers, and importers.

15 Sec. 21. Section 452A.10, Code 1995, is amended to read as  
16 follows:

17 452A.10 REQUIRED DISTRIBUTOR-AND-DEALER RECORDS.

18 Each A motor fuel distributor or special fuel supplier,  
19 restrictive supplier, importer, exporter, blender, dealer,  
20 user, common carrier, contract carrier, or terminal shall  
21 maintain and-keep for a period of three years, records of all  
22 transactions by which the distributor-receives,-uses,-sells,-  
23 delivers-or-otherwise-disposes-of-motor-fuel-within-this  
24 state, supplier, restrictive supplier, or importer withdraws  
25 from a terminal within this state or imports into this state  
26 motor fuel or undyed special fuel together with invoices,  
27 bills of lading, and other pertinent records and papers as may  
28 reasonably-be required by the department for-the  
29 administration-of-this-division.

30 If in the normal conduct of a distributor's supplier's,  
31 restrictive supplier's, importer's, exporter's, blender's,  
32 dealer's, user's, common carrier's, contract carrier's, or  
33 terminal's business the distributor's records are maintained  
34 and kept at an office outside the this state, of-Iowa,-it  
35 shall-be-a-sufficient-compliance-with-this-section-if the

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 records ~~are~~ shall be made available for audit and examination  
2 by the department at the office outside ~~Iowa~~ this state, but  
3 ~~such~~ the audit and examination ~~outside-Iowa~~ shall be without  
4 expense to the this state.

5 Each ~~dealer~~ distributor handling motor fuel or special fuel  
6 in this state shall maintain ~~and-keep~~ for a period of two  
7 three years records of all motor fuel or undyed special fuel  
8 purchased or otherwise acquired by the ~~dealer~~ distributor,  
9 together with delivery tickets, invoices, and bills of lading,  
10 and ~~such~~ any other pertinent records as required by the  
11 department ~~shall-require~~.

12 The department, after an audit and examination of the  
13 records ~~of-a-distributor-or-dealer~~ required to be maintained  
14 under this section, may authorize their disposal, ~~the~~  
15 ~~authorization-to-be-in-writing-after~~ upon the written request  
16 by of the supplier, restrictive supplier, importer, exporter,  
17 blender, dealer, user, carrier, terminal, or distributor or  
18 dealer.

19 Sec. 22. Section 452A.12, Code 1995, is amended to read as  
20 follows:

21 452A.12 LOADING AND DELIVERY EVIDENCE ON TRANSPORTATION  
22 EQUIPMENT.

23 1. ~~There~~ A serially numbered manifest shall be carried on  
24 every vehicle, except small tank wagons, while in use in  
25 transportation service, ~~a-serially-numbered-manifest-in-form~~  
26 ~~satisfactory-to-the-department~~ on which shall be entered the  
27 following information as to the cargo of motor fuel or special  
28 fuel being moved in the vehicle: The date and place of  
29 loading, the place to be unloaded, the person for whom it is  
30 to be delivered, the nature and kind of product, the amount of  
31 product, and other information ~~called-for-in-the-forms~~  
32 ~~prescribed-or-approved~~ required by the department. The  
33 manifest for small tank wagons shall be retained at the home  
34 office. The manifest covering each load transported, upon  
35 consummation of the delivery, shall be completed by showing

1 the date and place of actual delivery and the person to whom  
2 actually delivered and shall be kept as a permanent record for  
3 a period of three years. However, the record of the manifest  
4 of past cargoes need not be carried on the conveyance but must  
5 shall be preserved by the carrier for the inspection of by the  
6 department. A carrier subject to this subsection when  
7 distributing for a licensee may with the approval of the  
8 department ~~when-distributing-for-a-licensee~~ substitute the  
9 loading and delivery evidence required in subsection 2 for the  
10 manifest.

11 2. ~~Every-distributor-or-other~~ A person while transporting  
12 motor fuel or undyed special fuel from a refinery or marine or  
13 pipeline terminal in this state or from a point outside this  
14 state ~~via~~ over the highways of this state in service other  
15 than that ~~covered-in~~ under subsection 1 ~~of-this-section~~ shall  
16 carry in the vehicle a loading invoice showing the ~~true~~ name  
17 and address of the seller or consignor, the date and place of  
18 loading and the kind and quantity of motor fuel or special  
19 fuel loaded, together with invoices showing the kind and  
20 quantity of each delivery ~~therefrom~~, and the name and address  
21 of each purchaser or consignee.

22 Sec. 23. Section 452A.15, Code 1995, is amended to read as  
23 follows:

24 452A.15 TRANSPORTATION REPORTS -- REFINERY AND PIPELINE  
25 AND MARINE TERMINAL REPORTS.

26 1. Every railroad and common carrier or contract motor  
27 carrier transporting motor fuel or special fuel either in  
28 interstate or intrastate commerce within this state and every  
29 person transporting motor fuel or special fuel by whatever  
30 manner ~~from-a-point-outside-this-state-to-any-point-in-this~~  
31 into this state shall, subject to penalties for false  
32 certificate, report to the department ~~on-forms-prescribed-by~~  
33 ~~the-department~~ all deliveries of motor fuel or special fuel to  
34 points within this state other than refineries or marine or  
35 pipeline terminals. If any supplier, restrictive supplier,

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 importer, or distributor or-dealer is also engaged in the  
2 transportation of motor fuel or special fuel for others, the  
3 supplier, restrictive supplier, importer, or distributor or  
4 dealer shall make the same reports as required of common  
5 carriers and contract carriers.

6 The report shall cover monthly periods and shall show as to  
7 each delivery:

8 a. The name and address of the person to whom delivery was  
9 actually and-in-fact made.

10 b. The name and address of the originally named consignee,  
11 if delivered to any other than the originally named consignee.

12 c. The point of origin, the point of delivery, and the  
13 date of delivery.

14 d. The number and initials of each tank car and the number  
15 of gallons contained therein in the tank car, if shipped by  
16 rail.

17 e. The name of the boat, barge, or vessel, and the number  
18 of gallons contained therein in the boat, barge, or vessel, if  
19 shipped by water.

20 f. The registration number of each tank truck and the  
21 number of gallons contained therein in the tank truck, if  
22 transported by motor truck.

23 g. The manner, if delivered by other means, in which the  
24 delivery is made.

25 h. ~~Such-additional~~ Additional information relative to  
26 shipments of motor fuel or special fuel as the department may  
27 require.

28 If any a person required under this section to file  
29 transportation reports is a licensee under this division and  
30 if the information required in the transportation report is  
31 contained in any other report rendered by the person under  
32 this division, no a separate transportation report of that  
33 information shall not be required.

34 2. Every A person operating storage facilities at a  
35 refinery or at a marine-or-pipeline terminal in this state

1 shall ~~monthly~~ make an a monthly accounting to the department  
2 ~~on-forms-prescribed-by-the-department~~ of all motor fuel,  
3 alcohol, and undyed special fuel withdrawn from the refinery  
4 storage and all motor fuel, alcohol, and undyed special fuel  
5 delivered into, withdrawn from and on hand in the refinery or  
6 terminal storage.

7 3. The reports required in this section shall be for  
8 information purposes only and the department may in its  
9 discretion waive the filing of any of these reports not  
10 necessary for proper administration of this division. The  
11 reports required in this section shall be certified under  
12 penalty for false certificate and filed with the department  
13 within the time allowed for filing of distributors' suppliers'  
14 and restrictive suppliers' reports of motor fuel received or  
15 special fuel withdrawn from a terminal within this state or  
16 imported into this state.

17 Sec. 24. Section 452A.17, Code 1995, is amended to read as  
18 follows:

19 452A.17 ~~REFUND-TO-NONLICENSEE----~~FUEL-USED-OTHER-THAN-IN  
20 WATERCRAFT, AIRCRAFT, OR MOTOR VEHICLES REFUNDS.

21 1. A person ~~other-than-a-distributor, dealer or user~~  
22 ~~licensed-under-this-chapter~~ who uses motor fuel or undyed  
23 special fuel for any of the purpose of operating or propelling  
24 farm tractors, corn shellers, roller mills, truck-mounted feed  
25 grinders, stationary gas engines, for producing denatured  
26 alcohol within the state, for cleaning or dyeing or for any  
27 purpose other than in watercraft or aircraft or for propelling  
28 motor vehicles operated or intended to be operated upon the  
29 public highways nontaxable purposes listed in this subsection,  
30 and who has paid the motor fuel or special fuel tax on the  
31 fuel either directly to the department or by having the tax  
32 added to the price of the fuel, and who has a refund permit,  
33 upon presentation to and approval by the department of a claim  
34 for refund, shall be reimbursed and repaid the amount of the  
35 tax which the claimant has paid on the gallonage so used,

1 except that the amount of a refund payable under this division  
2 may be applied by the department against any tax liability  
3 outstanding on the books of the department against the  
4 claimant.

5 a. The refund is allowable for motor fuel or undyed  
6 special fuel sold to or used for the following:

7 (1) The United States or any agency or instrumentality of  
8 the United States or where collection of the tax would be  
9 prohibited by the Constitution of the United States or the  
10 laws of the United States or by the Constitution of the State  
11 of Iowa.

12 (2) An Iowa urban transit system which is used for a  
13 purpose specified in section 452A.57, subsection 6.

14 (3) A regional transit system, the state, any of its  
15 agencies, or any political subdivision of the state which is  
16 used for a purpose specified in section 452A.57, subsection  
17 11, or for public purposes, including fuel sold for the  
18 transportation of pupils of approved public and nonpublic  
19 schools by a carrier who contracts with the public school  
20 under section 285.5.

21 (4) Fuel used in unlicensed vehicles, stationary engines,  
22 and implements used in agricultural production.

23 (5) Fuel used for producing denatured alcohol.

24 (6) Fuel used for idle time, power takeoffs, reefer units,  
25 pumping credits, transport diversions, fuel lost through  
26 casualty, and blending errors for special fuel. The  
27 department shall adopt rules setting forth specific  
28 requirements relating to refunds for idle time, power  
29 takeoffs, reefer units, pumping credits and transport  
30 diversions, fuel lost through casualty, and blending errors  
31 for special fuel.

32 (7) A bona fide commercial fisher, licensed and operating  
33 under an owner's certificate for commercial fishing gear  
34 issued pursuant to section 482.4.

35 (8) For motor fuel or special fuel placed in motor

1 vehicles and used, other than on a public highway, in the  
2 extraction and processing of natural deposits, without regard  
3 to whether the motor vehicle was registered under section  
4 321.18. An applicant under this subparagraph shall maintain  
5 adequate records for a period of three years beyond the date  
6 of the claim.

7 b. Every A claim for refund is subject to the following  
8 conditions:

9 ~~1-~~ (1) The claim shall be on a form prescribed by the  
10 department and be certified by the claimant under penalty for  
11 false certificate.

12 ~~2-~~ (2) The claim shall ~~have-attached-thereto-the-original~~  
13 ~~invoice-or-other~~ include proof as prescribed by the department  
14 showing the purchase of the motor fuel or undyed special fuel  
15 on which a refund is claimed.

16 ~~3-~~ (3) An invoice shall not be acceptable in support of a  
17 claim for refund unless it is a separate serially numbered  
18 invoice covering no more than one purchase of motor fuel or  
19 undyed special fuel, prepared by the seller on a form approved  
20 by the department which will prevent erasure or alteration;  
21 ~~nor~~ and unless it is legibly written with no corrections or  
22 erasures and shows the date of sale, the name and address of  
23 the seller and of the purchaser, the kind of fuel, the  
24 gallonage in figures, the per gallon price of the motor fuel  
25 or undyed special fuel, the total purchase price including the  
26 Iowa motor fuel or undyed special fuel tax and that the total  
27 purchase price including tax has been paid; ~~provided, that as.~~  
28 However, with respect to refund invoices made on a billing  
29 machine, the department may waive any of the requirements of  
30 this subsection subparagraph.

31 ~~4-~~ (4) The claim shall state the gallonage of motor fuel  
32 or undyed special fuel that was used or will be used by the  
33 claimant other than in watercraft or aircraft or to propel  
34 motor vehicles, the manner in which the motor fuel or undyed  
35 special fuel was used or will be used and the equipment in

1 which it was used or will be used.

2 ~~5~~ (5) The claim shall also state whether or not the  
3 claimant used fuel for watercraft or aircraft or to propel  
4 motor vehicles from the same tanks or receptacles in which the  
5 claimant kept the motor fuel or undyed special fuel on which  
6 the refund is claimed.

7 ~~6~~--A refund shall not be paid with respect to any motor  
8 fuel or special fuel taken out of this state in fuel supply  
9 tanks of watercraft, aircraft, or motor vehicles.

10 ~~7~~--A refund shall not be paid with respect to motor fuel  
11 or special fuel purchased more than four calendar months prior  
12 to the date the claim was filed with the department.

13 ~~8~~--A refund shall not be paid with respect to motor fuel  
14 or special fuel used in the performance of a contract which is  
15 paid out of state funds unless the contract for the work  
16 contains a certificate made under penalty for false  
17 certificate that the estimate, bid or price to be paid for the  
18 work includes no amount representing motor fuel or special  
19 fuel tax subject to refund.

20 9 (6) If an original invoice is lost or destroyed the  
21 department may in its discretion accept a copy identified and  
22 certified by the seller as being a true copy of the original.

23 ~~10~~ (7) ~~The right of a person to a refund under this~~  
24 ~~section shall not be assignable.~~ Claim shall be made by and  
25 the amount of the refund when determined by the department  
26 shall be paid to the person who purchased the motor fuel or  
27 undyed special fuel as shown in the supporting invoice unless  
28 that person designates another person as an agent for purposes  
29 of filing and receiving the refund for idle time, power  
30 takeoff, reefer units, pumping credits, and transport  
31 diversions.

32 ~~11~~ (8) In order to verify the validity of a claim for  
33 refund the department shall have the right to require the  
34 claimant to furnish such additional proof of validity as the  
35 department may determine and to examine the books and records

1 of the claimant. Failure of a claimant to furnish the  
2 claimant's books and records for examination shall constitute  
3 a waiver of all rights to refund related to the transaction in  
4 question.

5 ~~12--Refunds shall be made of motor vehicle fuel taxes paid~~  
6 ~~on motor fuel or special fuel placed in motor vehicles and~~  
7 ~~used, other than on public highways, in the extraction and~~  
8 ~~processing of natural deposits, without regard to whether such~~  
9 ~~motor vehicles are registered under section 321.18.--An~~  
10 ~~applicant for a refund under this subsection must maintain~~  
11 ~~adequate records for a period of three years beyond the filing~~  
12 ~~of the claim.--The department will pay the claim upon the~~  
13 ~~presentation of proof which may reasonably be required.~~

14 ~~13--A bona fide commercial fisher, licensed and operating~~  
15 ~~under an owner's certificate for commercial fishing gear~~  
16 ~~issued pursuant to section 482.4 is entitled to receive a~~  
17 ~~motor fuel or special fuel tax refund under this section.~~

18 ~~14- 4.~~ In lieu of the refund provided in this section, a  
19 person may receive an income tax credit as provided in chapter  
20 422, division IX, but only as to motor fuel or undyed special  
21 fuel not used in motor vehicles, aircraft, or watercraft.

22 5. a. A claim for refund shall not be allowed ~~which is in~~  
23 ~~an amount of less than ten dollars~~ unless the claimant has  
24 accumulated two hundred fifty dollars in credits for one  
25 calendar quarter. Once the two hundred fifty dollar minimum  
26 has been met, a claim for refund may be filed. If the two  
27 hundred fifty dollar minimum has not been met in the calendar  
28 year, the credit shall be claimed on the taxpayer's income tax  
29 return unless the taxpayer is not required to file an income  
30 tax return in which case a refund shall be allowed. Once the  
31 two hundred fifty dollar minimum has been met, the claim for  
32 refund must be filed within one year.

33 b. A refund shall be be paid with respect to any motor  
34 fuel or undyed special fuel taken out of this state in supply  
35 tanks of watercraft, aircraft, or motor vehicles.

1 c. A refund shall not be paid with respect to motor fuel  
2 or special fuel used in the performance of a contract which is  
3 paid out of state funds unless the contract for the work  
4 contains a certificate made under penalty for false  
5 certificate that the estimate, bid, or price to be paid for  
6 the work does not include any amount representing motor fuel  
7 or special fuel tax subject to refund.

8 Sec. 25. Section 452A.18, Code 1995, is amended to read as  
9 follows:

10 452A.18 REFUND PERMIT.

11 A person shall not claim a refund under section 452A.17 or  
12 section 452A.21 until the person has obtained a refund permit  
13 from the department. A special permit shall be obtained by  
14 ~~applicants~~ an applicant claiming a refund under this chapter  
15 ~~on-account-of~~ for motor fuel used to blend ethanol blended  
16 gasoline. Application for a refund permit shall be made to  
17 the department ~~on-a-form-provided-by-the-department~~, shall be  
18 certified by the applicant under penalty for false  
19 certificate, and shall contain among other things, the name,  
20 address, and occupation of the applicant, the nature of the  
21 applicant's business, and a sufficient description for  
22 identification of the machines and equipment in which ~~is-to-be~~  
23 ~~used~~ the motor fuel ~~for-which-refund-may-be-claimed-under-the~~  
24 ~~permit~~ or undyed special fuel is to be used. Each permit  
25 shall bear a separate number and each claim for refund shall  
26 bear the number of the permit under which it is made. The  
27 department shall keep a permanent record of all permits issued  
28 and a cumulative record of the amount of refund claimed and  
29 paid under each. A refund permit shall continue in effect  
30 until it is revoked or becomes invalid.

31 Sec. 26. Section 452A.21, Code 1995, is amended to read as  
32 follows:

33 452A.21 REFUND -- CREDIT ---PENALTY.

34 Persons ~~other-than-distributors~~ not licensed under this  
35 division who blend motor fuel and alcohol to produce ethanol

1 blended gasoline may file for a refund for the difference  
2 between taxes paid on the motor fuel purchased to produce  
3 ethanol blended gasoline and the tax due on the ethanol  
4 blended gasoline blended. If, during any month, a person  
5 licensed ~~as-a-distributor~~ under this division uses tax paid  
6 motor fuel to blend ethanol blended gasoline and the refund  
7 otherwise due under this section is greater than the  
8 ~~distributor's~~ licensee's total tax liability for that month,  
9 ~~the distributor-will-be~~ licensee is entitled to a credit. The  
10 claim for credit shall be filed as part of the report required  
11 by section 452A.8.

12 In order to obtain the refund established by this section,  
13 the person shall do all of the following:

14 1. Obtain a blender's permit as provided in section  
15 452A.18.

16 2. File a refund claim containing the information as  
17 required by the department and certified by the claimant under  
18 penalty for false certificate.

19 3. Retain invoices meeting the requirements of section  
20 452A.17, subsection 3 1, paragraph "b", subparagraph (3), for  
21 the motor fuel purchased.

22 4. Retain invoices for the purchase of alcohol.

23 A refund or credit memorandum will not be issued unless the  
24 claim is filed within ninety days following the end of the  
25 month during which the ethanol blended gasoline was actually  
26 blended.

27 ~~If-a-person-files-an-incorrect-refund-claim, there shall be~~  
28 ~~added-a-penalty-of-five-percent-to-the-amount-by-which-the~~  
29 ~~amount-claimed-and-refunded-exceeds-the-amount-actually-due.~~  
30 ~~If-a-fraudulent-refund-claim-is-filed-with-intent-to-evade-the~~  
31 ~~tax, the penalty shall be fifty-percent-in-lieu-of-five~~  
32 ~~percent.---The-person-shall-also-pay-interest-on-the-excess~~  
33 ~~refunded-at-a-rate-of-three-fourths-of-one-percent-per-month~~  
34 ~~counting-each-fraction-of-a-month-as-an-entire-month, computed~~  
35 ~~from-the-date-the-refund-was-issued-to-the-date-the-excess~~

1 ~~refund-is-repaid-to-the-state-~~

2 Sec. 27. Section 452A.54, unnumbered paragraph 1, Code  
3 1995, is amended to read as follows:

4 Fuel tax liability under this division shall be computed on  
5 the total number of gallons of each kind of motor fuel and  
6 special fuel consumed in the operation in Iowa by commercial  
7 motor vehicles subject to this division at the same rate for  
8 each kind of fuel as would be applicable if taxed under  
9 ~~division I or-division-II~~ of this chapter. A refund against  
10 the fuel tax liability so computed shall be allowed, on excess  
11 Iowa motor fuel purchased, in the amount of fuel tax paid at  
12 the prevailing rate per gallon set out under ~~division I or~~  
13 ~~division-II~~ of this chapter on motor fuel and special fuel  
14 consumed by commercial motor vehicles, the operation of which  
15 is subject to this division.

16 Sec. 28. Section 452A.57, subsections 1 and 5, Code 1995,  
17 are amended to read as follows:

18 1. "Appropriate state agency" or "state agency" means the  
19 department of revenue and finance or the state department of  
20 transportation, whichever is responsible for control,  
21 maintenance, or supervision of the power, requirement, or duty  
22 referred to in the provision. The department of revenue and  
23 finance shall administer the provisions of ~~divisions~~ division  
24 ~~I and-II~~ of this chapter, and the state department of  
25 transportation shall administer the provisions of division  
26 III. The state department of transportation shall have  
27 enforcement authority for division I as agreed upon by the  
28 director of revenue and finance and the director of  
29 transportation.

30 5. "Fuel taxes" means ~~and-includes~~ the per gallon excise  
31 taxes imposed under ~~divisions~~ division I, ~~II and-III~~ of this  
32 chapter with respect to motor fuel and undyed special fuel.

33 Sec. 29. Section 452A.59, Code 1995, is amended to read as  
34 follows:

35 452A.59 ADMINISTRATIVE RULES.

1 The department of revenue and finance ~~is~~ and the state  
2 department of transportation are authorized and empowered to  
3 ~~make-such-reasonable~~ adopt rules under chapter 17A, relating  
4 to the administration and enforcement of this chapter as the  
5 ~~department-may-deem-needed~~ deemed necessary by the  
6 departments. ~~These-rules-shall-be-effective-when-the~~  
7 ~~provisions-of-chapter-17A-have-been-complied-with.~~

8 Sec. 30. Section 452A.60, Code 1995, is amended to read as  
9 follows:

10 452A.60 FORMS OF REPORT, REFUND CLAIM AND RECORDS.

11 The department of revenue and finance or the state  
12 department of transportation shall prescribe and furnish all  
13 forms, as applicable, upon which reports and applications  
14 shall be made and claims for refund presented under this  
15 chapter and may prescribe forms of record to be kept by ~~motor~~  
16 ~~fuel-distributors,-motor-fuel-dealers,-motor-fuel~~ suppliers,  
17 restrictive suppliers, importers, exporters, blenders, common  
18 carriers, contract carriers, special-fuel licensed compressed  
19 natural gas and liquefied petroleum gas dealers,-special-fuel  
20 and users, terminal operators, and interstate commercial motor  
21 vehicle operators.

22 ~~Whenever-in-this-chapter-the~~ The department of revenue and  
23 finance or the state department of transportation is  
24 ~~authorized-to-prescribe-the-form-of-record-to-be-kept,-the~~  
25 ~~appropriate-state-agency~~ may ~~in-lieu-of~~ approve the a  
26 form of record being-kept,-~~and-shall-approve-the-form-of~~  
27 ~~record-where-it-furnishes-in,~~ other than a prescribed form, if  
28 the required information is presented in a reasonably  
29 accessible form ~~the-information-which-is-required-and~~ which  
30 substantially complies with the prescribed form.

31 Sec. 31. Section 452A.62, Code 1995, is amended to read as  
32 follows:

33 452A.62 INSPECTION OF RECORDS.

34 The department of revenue and finance or the state  
35 department of transportation, whichever is applicable, is

1 hereby given the authority within the time prescribed for  
2 keeping records ~~(1)~~ to do the following:

3 1. to To examine, during the usual business hours of the  
4 day, the records, books, papers, receipts, invoices, storage  
5 tanks, and any other equipment of ~~(a)~~ any of the following:

6 a. A distributor, dealer, purchaser, or supplier,  
7 restrictive supplier, importer, exporter, blender, terminal  
8 operator, common, contract or other carrier, or contract  
9 carrier, pertaining to motor fuel received, used, sold,  
10 delivered, or otherwise disposed of, or ~~(b)~~ of any special  
11 fuel or undyed special fuel withdrawn from a terminal or  
12 brought into this state.

13 b. A licensed compressed natural gas or liquefied  
14 petroleum gas dealer, special-fuel user, or person supplying  
15 special-fuel compressed natural gas or liquefied petroleum gas  
16 to any a licensed compressed natural gas or liquefied  
17 petroleum gas dealer or user ~~of special-fuel and ~~(c)~~ of any.~~

18 c. An interstate operator of motor vehicles to verify the  
19 truth and accuracy of any statement, report, or return, or to  
20 ascertain whether or not the taxes imposed by this chapter  
21 have been paid ~~(d)~~.

22 d. any Any person selling fuel ~~oil~~ fuels that can be used  
23 for highway use ~~and ~~(2)~~.~~

24 2. to To examine the records, books, papers, receipts, and  
25 invoices of any distributor, special-fuel-dealer or special  
26 fuel-user supplier, restrictive supplier, importer, exporter,  
27 terminal operator, licensed compressed natural gas or  
28 liquefied petroleum gas dealer or user, or any other person  
29 who possesses fuel upon which the tax has not been paid to  
30 determine financial responsibility for the payment of the  
31 taxes imposed by this chapter.

32 If any a person within the purview of under this section  
33 shall refuse refuses access to pertinent records, books,  
34 papers, receipts, invoices, storage tanks, or any other  
35 equipment, then the appropriate state agency shall certify the

1 names and facts to any court of competent jurisdiction, and  
2 the said court shall enter such an order ~~in-the-premises-as~~  
3 ~~the-enforcement-of~~ to enforce this chapter ~~and-justice-shall~~  
4 require.

5 Sec. 32. Section 452A.63, unnumbered paragraph 1, Code  
6 1995, is amended to read as follows:

7 All information obtained by the department of revenue and  
8 finance or the state department of transportation from the  
9 examining of reports or records required to be filed or kept  
10 under ~~the-provisions-of~~ this chapter shall be treated as  
11 confidential and shall not be divulged except to other state  
12 officers, a member or members of the general assembly, or any  
13 duly appointed committee of either or both houses of the  
14 general assembly, or to a representative of the state having  
15 some responsibility in connection with the collection of the  
16 taxes imposed or in proceedings brought under the provisions  
17 of this chapter~~,-provided,-however,-that-the-appropriate-state~~  
18 ~~agency-shall-make-available-for-public-information-on-or~~  
19 ~~before-the-last-day-of-the-month-following-the-month-in-which~~  
20 ~~the-tax-is-required-to-be-paid-the-names-of-the-distributors~~  
21 ~~and-as-to-each-of-them-the-total-gallons-received-in-the-state~~  
22 ~~and-separately,-the-received-gallons-(1)-exported-or-sold-for~~  
23 ~~export,-(2)-sold-tax-free-in-the-state-to-entities-that-are~~  
24 ~~exempt-from-the-tax-and-(3)-sold-tax-free-in-the-state-to~~  
25 ~~entities-required-to-report-and-account-for-the-tax.---The~~  
26 ~~department-of-revenue-and-finance-shall-also-make-available-to~~  
27 ~~the-public-information-with-respect-to-special-fuel-dealers~~  
28 ~~and-users-and-as-to-each-of-them-the-gallonage-used-and-taxes~~  
29 paid. The department of revenue and finance or the state  
30 department of transportation, upon request of officials  
31 entrusted with enforcement of the motor vehicle fuel tax laws  
32 of the federal government or any other state, may forward to  
33 such officials any pertinent information which the appropriate  
34 state agency may have relative to motor fuel and special fuel  
35 provided the officials of the other state furnish like

1 information.

2 Sec. 33. Section 452A.71, Code 1995, is amended to read as  
3 follows:

4 452A.71 REFUNDS TO PERSONS OTHER THAN DISTRIBUTORS AND  
5 ~~SPECIAL-FUEL~~ COMPRESSED NATURAL GAS AND LIQUEFIED PETROLEUM  
6 GAS DEALERS AND USERS.

7 Except as provided in section 452A.54, any person other  
8 than a ~~licensed-distributor, licensed-special-fuel-dealer, or~~  
9 ~~licensed-special-fuel-user~~ person who has paid or has had  
10 charged to the person's account with a distributor, dealer, or  
11 ~~special-fuel-dealer~~ user fuel taxes imposed under this chapter  
12 with respect to motor fuel or undyed special fuel in excess of  
13 one hundred gallons, which is subsequently lost or destroyed,  
14 while the person is the owner, through leakage, fire,  
15 explosion, lightning, flood, storm, or other casualty, except  
16 evaporation, shrinkage, or unknown causes, the person shall be  
17 entitled to a refund of the tax so paid or charged. To  
18 qualify for the refund, the person shall notify the department  
19 of revenue and finance in writing of the loss or destruction  
20 and the gallonage lost or destroyed within ten days from the  
21 date of discovery of the loss or destruction. Within sixty  
22 days after filing the notice, the person shall file with the  
23 department of revenue and finance an affidavit sworn to by the  
24 person having immediate custody of the motor fuel or undyed  
25 special fuel at the time of the loss or destruction setting  
26 forth in full the circumstances and amount of the loss or  
27 destruction and such other information as the department of  
28 revenue and finance may require. Any refund payable under  
29 this section may be applied by the department against any tax  
30 liability outstanding on the books of the department against  
31 the claimant.

32 Sec. 34. Section 452A.73, Code 1995, is amended to read as  
33 follows:

34 452A.73 EMBEZZLEMENT OF FUEL TAX MONEY -- PENALTY.

35 Every sale of motor fuel in this state and every sale of

1 undyed special fuel dispensed by the seller into a fuel supply  
2 tank of a motor vehicle shall, unless otherwise provided, be  
3 presumed to include as a part of the purchase price the fuel  
4 tax due the state of Iowa under the provisions of this  
5 chapter. Every person collecting fuel tax money as part of  
6 the selling price of motor fuel or undyed special fuel, shall  
7 hold the tax money in trust for the state of Iowa unless the  
8 fuel tax on the fuel has been previously paid to the state of  
9 Iowa. Any person receiving fuel tax money in trust and  
10 failing to remit it to the department of revenue and finance  
11 on or before time required shall be guilty of theft.

12 Sec. 35. Section 452A.74, Code 1995, is amended to read as  
13 follows:

14 452A.74 UNLAWFUL ACTS -- PENALTY.

15 It shall be unlawful:

16 1. For any person to knowingly fail, neglect, or refuse to  
17 make any required return or statement or pay over fuel taxes  
18 ~~as-herein~~ required under this section.

19 2. For any person to knowingly make any false, incorrect,  
20 or materially incomplete record required to be kept or made  
21 ~~under the-provisions-of~~ this chapter, to refuse to offer  
22 required books and records to the department of revenue and  
23 finance or the state department of transportation for  
24 inspection on demand or to refuse to permit the department of  
25 revenue and finance or the state department of transportation  
26 to examine the person's motor fuel or undyed special fuel  
27 storage tanks and handling or dispensing equipment.

28 3. For any seller to issue or any purchaser to receive and  
29 retain any incorrect or false invoice or sales ticket in  
30 connection with the sale or purchase of motor fuel or undyed  
31 special fuel.

32 4. For any claimant to alter any invoice or sales ticket,  
33 whether the invoice or sales ticket is to be used to support a  
34 claim for refund or income tax credit or not, provided,  
35 however, if a claimant's refund permit ~~shall-have~~ has been

1 revoked for cause as provided in section 452A.19 such the  
2 revocation shall be serve as natural gas or a bar to  
3 prosecution for violation of this subsection.

4 5. For any person to act as a ~~motor-fuel-distributor,~~  
5 ~~special-fuel~~ supplier, restrictive supplier, importer,  
6 exporter, blender, compressed liquefied petroleum gas dealer  
7 or ~~special-fuel~~ user without the required license.

8 6. For any person to use motor fuel ~~or,~~ undyed special  
9 fuel, or illegal use of dyed special fuel in the fuel supply  
10 tank of a vehicle with respect to which the person knowingly  
11 has not paid or had charged to the person's account with a  
12 distributor or dealer, or with respect to which does not  
13 within the time required in this chapter report and pay the  
14 applicable fuel tax.

15 7. For any ~~special-fuel~~ licensed compressed natural gas or  
16 liquefied petroleum gas dealer or user to dispense ~~special~~  
17 ~~fuel~~ compressed natural gas or liquefied petroleum gas into  
18 the fuel supply tank of any motor vehicle without collecting  
19 the fuel tax.

20 ~~8---For-special-fuel-dealers-or-special-fuel-distributors~~  
21 ~~to-deliver-special-fuel-on-a-tax-paid-basis-into-a-tank-with-a~~  
22 ~~capacity-greater-than-one-thousand-fifty-gallons-~~

23 9: 8. Any delivery by a distributor of ~~special-fuel~~  
24 compressed natural gas or liquefied petroleum gas to a  
25 compressed natural gas or liquefied petroleum gas dealer or  
26 user for the purpose of evading the state tax on ~~special-fuels~~  
27 compressed natural gas or liquefied petroleum gas, into  
28 facilities other than those licensed above knowing that ~~said~~  
29 the fuel will be used ~~as-special-fuel~~ for highway use shall  
30 constitute a violation of this section. Any compressed  
31 natural gas or liquefied petroleum gas dealer or user for  
32 purposes of evading the state tax on ~~special-fuel~~ compressed  
33 natural gas or liquefied petroleum gas, who allows a  
34 distributor to place ~~special-fuel~~ compressed natural gas or  
35 liquefied petroleum gas for highway use in facilities other

1 than those licensed above ~~with~~, shall also be deemed in  
2 violation of this section.

3 A person found guilty of an offense specified in this  
4 section is guilty of a fraudulent practice. For purposes of  
5 determining the place of trial, the situs of an offense  
6 specified in this section is in the county of the residence of  
7 the person charged with the offense. However, if the person  
8 is a nonresident or the person's residence cannot be  
9 determined, the situs of the offense is in Polk county.  
10 Prosecution for an offense specified in this section shall be  
11 commenced within six years following its commission.

12 Sec. 36. NEW SECTION. 452A.74A PENALTY AND ENFORCEMENT  
13 PROVISIONS.

14 In addition to the tax or additional tax, the following  
15 fines and penalties shall apply:

16 1. ILLEGAL USE OF DYED FUEL. The illegal use of dyed fuel  
17 in the supply tank of a motor vehicle shall result in a civil  
18 penalty assessed against the owner or operator of the motor  
19 vehicle as follows:

20 a. A two hundred dollar fine for the first violation.

21 b. A five hundred dollar fine for a second violation  
22 within three years of the first violation.

23 c. A one thousand dollar fine for third and subsequent  
24 violations within three years of the first violation.

25 2. ILLEGAL IMPORTATION OF UNTAXED FUEL. A person who  
26 illegally imports motor fuel or undyed special fuel without a  
27 valid importer's license or supplier's license shall be  
28 assessed a civil penalty as follows:

29 a. For a first violation, the importing vehicle shall be  
30 detained and a fine of two thousand dollars shall be paid  
31 before the vehicle will be released. The owner or operator of  
32 the importing vehicle or the owner of the fuel may be held  
33 liable for payment of the fine.

34 b. For a second violation, the importing vehicle shall be  
35 detained and a fine of five thousand dollars shall be paid

1 before the vehicle will be released. The owner or operator of  
2 the importing vehicle or the owner of the fuel may be held  
3 liable to pay the fine.

4 c. For third and subsequent violations, the importing  
5 vehicle and the fuel shall be seized and a fine of ten  
6 thousand dollars shall be paid before the vehicle will be  
7 released. The owner or operator of the importing vehicle or  
8 the owner of the fuel may be held liable to pay the fine.

9 d. If the owner or operator of the importing vehicle or  
10 the owner of the fuel fail to pay the tax and fine for a first  
11 or second offense, the importing vehicle and the fuel may be  
12 seized. The department of revenue and finance, the state  
13 department of transportation, or any peace officer, at the  
14 request of either department, may seize the vehicle and the  
15 fuel.

16 e. If the operator or owner of the importing vehicle or  
17 the owner of the fuel move the vehicle or the fuel after the  
18 vehicle has been detained and a sticker has been placed on the  
19 vehicle stating that "This vehicle cannot be moved until the  
20 tax, penalty, and interest have been paid to the Department of  
21 Revenue and Finance", an additional penalty of five thousand  
22 dollars shall be assessed against the operator or owner of the  
23 importing vehicle or the owner of the fuel.

24 f. For purposes of this subsection, "vehicle" means as  
25 defined in section 321.1.

26 3. IMPROPER RECEIPT OF FUEL CREDIT OR REFUND. If a person  
27 files an incorrect refund claim, in addition to the amount of  
28 the claim, a penalty of ten percent shall be added to the  
29 amount by which the amount claimed and refunded exceeds the  
30 amount actually due and shall be paid to the department. If a  
31 person knowingly files a fraudulent refund claim with the  
32 intent to evade the tax, the penalty shall be seventy-five  
33 percent in lieu of the ten percent. The person shall also pay  
34 interest on the excess refunded at the rate per month  
35 specified in section 421.7, counting each fraction of a month

1 as an entire month, computed from the date the refund was  
2 issued to the date the excess refund is repaid to the state.

3 4. ILLEGAL HEATING OF FUEL. The deliberate heating of  
4 taxable motor fuel or special fuel by dealers prior to  
5 consumer sale is a simple misdemeanor.

6 5. PREVENTION OF INSPECTION. The department of revenue  
7 and finance or the state department of transportation may  
8 conduct inspections for coloration, markers, and shipping  
9 papers at any place where taxable fuel is or may be loaded  
10 into transport vehicles, produced, or stored. Any attempts by  
11 a person to prevent, stop, or delay an inspection of fuel or  
12 shipping papers by authorized personnel shall be subject to a  
13 civil penalty of not more than one thousand dollars per  
14 occurrence. Any law enforcement officer or department of  
15 revenue and finance or state department of transportation  
16 employee may physically inspect, examine or otherwise search  
17 any tank, reservoir, or other container that can or may be  
18 used for the production, storage, or transportation of any  
19 type of fuel.

20 6. FAILURE TO CONSPICUOUSLY LABEL A FUEL PUMP. A retailer  
21 who does not conspicuously label a fuel pump or other delivery  
22 facility as required by the internal revenue service, that  
23 dispenses dyed diesel fuel so as to notify customers that it  
24 contains dyed diesel fuel, shall pay to the department a  
25 penalty of one hundred dollars per occurrence.

26 7. FALSE OR FRAUDULENT RETURN. Any person, including an  
27 officer of a corporation or a manager of a limited liability  
28 company, who is required to make, render, sign, or verify any  
29 report or return required by this chapter and who makes a  
30 false or fraudulent report, or who fails to file a report or  
31 return with the intent to evade the tax, shall be guilty of a  
32 fraudulent practice. Any person who aids, abets, or assists  
33 another person in making any false or fraudulent return or  
34 false statement in any return with the intent to evade payment  
35 of tax shall be guilty of a fraudulent practice.

1 Sec. 37. Section 452A.76, Code 1995, is amended to read as  
2 follows:

3 452A.76 ENFORCEMENT AUTHORITY.

4 ~~Authority is given to the department of revenue and finance~~  
5 ~~to enforce the provisions of this chapter except division III.~~  
6 ~~Employees of the department of revenue and finance designated~~  
7 ~~as enforcement employees have the power of peace officers in~~  
8 ~~the performance of such duties.~~

9 Authority to enforce division III is given to the state  
10 department of transportation. Employees of the department of  
11 transportation designated enforcement employees have the power  
12 of peace officers in the performance of their duties; however,  
13 they shall not be considered members of the Iowa highway  
14 safety patrol. The department of transportation shall furnish  
15 enforcement employees with necessary equipment and supplies in  
16 the same manner as provided in section 80.18, including  
17 uniforms which are distinguishable in color and design from  
18 those of the Iowa highway safety patrol. Enforcement  
19 employees shall be furnished and shall conspicuously display  
20 badges of authority.

21 ~~It is the duty of all peace officers to see that the~~  
22 ~~provisions of this chapter are not violated, and to respond to~~  
23 ~~the call of the department of revenue and finance and state~~  
24 ~~department of transportation to make investigations in their~~  
25 ~~respective counties and report to the department of revenue~~  
26 ~~and finance and state department of transportation.--Peace~~  
27 ~~officers are authorized to stop a conveyance suspected to be~~  
28 ~~illegally transporting motor fuel on the highways, to~~  
29 ~~investigate the cargo for that purpose and to seize and~~  
30 ~~impound the cargo and conveyance when it appears that the~~  
31 ~~conveyance is being operated in violation of the provisions of~~  
32 ~~this chapter.~~

33 Authority is given to the department of revenue and  
34 finance, the state department of transportation, the  
35 department of public safety, and any peace officer as

1 requested by such departments to enforce the provisions of  
2 division I and this division of this chapter. Enforcement  
3 personnel or requested peace officers are authorized to stop a  
4 conveyance suspected to be illegally transporting motor fuel  
5 or special fuel on the highways, to investigate the cargo and  
6 also have the authority to inspect or test the fuel in the  
7 supply tank of a conveyance to determine if legal fuel is  
8 being used to power the conveyance. The operator of any  
9 vehicle transporting motor fuel or special fuel shall, upon  
10 request, produce and offer for inspection the manifest or  
11 loading and delivery invoices pertaining to the load and trip  
12 in question and shall permit the authority to inspect and  
13 measure the contents of the vehicle. If the vehicle operator  
14 fails to produce the evidence or if, when produced, the  
15 evidence fails to contain the required information and it  
16 appears that there is an attempt to evade payment of the fuel  
17 tax, the vehicle operator will be subject to the penalty  
18 provisions contained in section 452A.74A. For purposes of  
19 this section, "vehicle" means as defined in section 321.1.

20 Sec. 38. Section 452A.80, Code 1995, is amended to read as  
21 follows:

22 452A.80 MICROFILM OR PHOTOGRAPHIC COPIES -- ORIGINALS  
23 DESTROYED.

24 The appropriate state agency shall have the power and  
25 authority to record, copy or reproduce by any photographic,  
26 photostatic, microfilm, microcard, miniature photographic or  
27 other process which accurately reproduces or forms a durable  
28 medium for so reproducing the original of any forms or records  
29 pertaining to motor fuel tax or undyed special fuel tax, or  
30 any paper or document with respect to refund of such the tax,  
31 and-when-such. If the forms and records ~~shall~~ have been so  
32 reproduced in accordance with this section, the state agency  
33 ~~shall-have-the-power-to~~ may destroy the originals and such the  
34 reproductions shall be competent evidence in any court in  
35 accordance with the provision of section 622.30.

1 Sec. 39. Section 452A.84, Code 1995, is amended to read as  
2 follows:

3 452A.84 TRANSFER TO STATE GENERAL FUND.

4 The treasurer of state shall transfer from the motor fuel  
5 tax fund to the general fund of the state that portion of  
6 moneys collected under this chapter attributable to motor fuel  
7 used in watercraft computed as follows:

8 1. Determine monthly the total amount of motor fuel tax  
9 collected under this chapter and multiply the amount by nine-  
10 tenths of one percent.

11 2. Subtract from the figure computed pursuant to  
12 subsection 1 of this section three percent of the figure for  
13 administrative costs and further subtract from the figure the  
14 amounts refunded to commercial fishers pursuant to section  
15 452A.17, subsection ~~3~~ 1, paragraph "a", subparagraph (7).

16 All moneys remaining after claims for refund and the cost of  
17 administration have been made shall be transferred to the  
18 general fund of the state.

19 Sec. 40. Section 452A.85, Code 1995, is amended to read as  
20 follows:

21 452A.85 TAX PAYMENT FOR STORED MOTOR FUEL, ETHANOL BLENDED  
22 GASOLINE, AND SPECIAL FUEL, COMPRESSED NATURAL GAS, AND  
23 LIQUEFIED PETROLEUM GAS -- PENALTY.

24 1. Persons having title to motor fuel, ethanol blended  
25 gasoline, ~~or undyed special fuel, compressed natural gas, or~~  
26 liquefied petroleum gas in storage and held for sale on the  
27 effective date of an increase in the excise tax rate imposed  
28 on motor fuel, ethanol blended gasoline, ~~or undyed special~~  
29 fuel, compressed natural gas, or liquefied petroleum gas under  
30 this chapter shall be subject to an inventory tax based upon  
31 the gallonage in storage as of the close of the business day  
32 ~~next~~ preceding the effective date of the increased excise tax  
33 rate of motor fuel, ethanol blended gasoline, ~~or undyed~~  
34 special fuel, compressed natural gas, or liquefied petroleum  
35 gas which will be subject to the increased excise tax rate.

1 2. Persons subject to the tax imposed under this section  
2 shall take an inventory to determine the gallonage in storage  
3 for purposes of determining the tax and shall report that the  
4 gallonage on-forms-provided-by-the-department-of-revenue-and  
5 finance and pay the tax due within thirty days of the  
6 prescribed inventory date. The department of revenue and  
7 finance shall adopt rules pursuant to chapter 17A as are  
8 necessary to carry-out-the-provisions-of administer this  
9 section.

10 3. The amount of the inventory tax is equal to the  
11 inventory tax rate times the gallonage in storage as  
12 determined under subsection 1. The inventory tax rate is  
13 equal to the difference of the increased excise tax rate less  
14 the previous excise tax rate.

15 Sec. 41. Section 452A.86, Code 1995, is amended to read as  
16 follows:

17 452A.86 METHOD OF DETERMINING GALLONAGE.

18 The exclusive method of determining gallonage of any  
19 purchases or sales of motor fuel and, undyed special fuel,  
20 compressed natural gas, or liquefied petroleum gas as defined  
21 in this chapter and distillate fuels shall be on a gross  
22 volume basis. A temperature-adjusted or other method shall  
23 not be used, except as it applies to liquefied petroleum gas  
24 and the sale or exchange of petroleum products between  
25 petroleum refiners. All invoices, bills of lading, or other  
26 records of sale or purchase and all reports or records  
27 required to be made, kept, and maintained by a distributor-or  
28 dealer supplier, restrictive supplier, importer, exporter,  
29 blender, or compressed natural gas or liquefied petroleum gas  
30 dealer or user shall be made, kept, and maintained on the  
31 gross volume basis. For purposes of this section, "distillate  
32 fuels" means any fuel oil, gas oil, topped crude oil, or other  
33 petroleum oils derived by refining or processing crude oil or  
34 unfinished oils which have a boiling range at atmospheric  
35 pressure which falls completely or in part between five



1 the person who causes the fuel to be imported into this state.  
2 This bill provides that motor fuel tax be imposed in  
3 accordance with the following:

4 1. For a supplier, upon the invoiced gallonage of all motor  
5 fuel or undyed special fuel withdrawn from a terminal for  
6 delivery in this state.

7 2. For a person who owns or causes fuel to be brought into  
8 the state by a restrictive supplier or importer, upon the  
9 invoiced gross gallonage of motor fuel or undyed special fuel  
10 that is imported.

11 3. For the blender, on total invoiced gross gallonage of  
12 alcohol or other product sold to be blended with motor fuel or  
13 special fuel.

14 4. Any other person who possesses taxable fuel upon which  
15 the tax has not been paid to a licensee. The bill allows the  
16 department of revenue and finance to assume responsibility for  
17 collection of the fuel tax from the purchaser if the seller is  
18 unable to collect the tax.

19 The bill provides that indelible dye meeting United States  
20 environmental protection agency and internal revenue service  
21 regulations must be added to fuel before or upon withdrawal at  
22 a terminal or refinery rack in order for the fuel to be exempt  
23 from the motor fuel tax and may be used only for exempt  
24 purposes.

25 Suppliers and distributors are allowed to prorate a  
26 distribution allowance of not more than one and six-tenths  
27 percent of all gallons of motor fuel, with four-tenths percent  
28 retained by the supplier and one and two-tenths percent to the  
29 distributor and a distribution allowance of not more than  
30 seven-tenths percent of all gallons of undyed special fuel  
31 removed from a terminal during the reporting period, with  
32 thirty-five hundredths percent retained by the supplier and  
33 thirty-five hundredths percent to the distributor or dealer  
34 purchasing directly from the supplier.

35 The bill requires that terminal operators report the state

1 of destination, date, terminal, purchaser, purchaser's federal  
2 identification number, bill of lading number, product sold and  
3 total gallons sold for each load of fuel removed from the  
4 terminal. Suppliers and restrictive suppliers are required to  
5 submit a monthly report showing state of destination, date,  
6 terminal, purchaser, purchaser's federal identification  
7 number, bill of lading number, product sold and total gallons  
8 sold for each load of fuel removed from the terminal.

9 Exchanges within a terminal are tax free. Importers are  
10 required to submit reports twice monthly, blenders are  
11 required to submit a supplier/importer report for fuel blended  
12 off-site of the terminal. All reports are due on the last day  
13 of the month following the month the fuel was removed from the  
14 terminal or imported except for importers, and the director of  
15 revenue and finance may require that reports be filed by  
16 electronic transmission. A supplier, restrictive supplier, or  
17 importer is required to pay the amount of tax due at the time  
18 of filing the report.

19 Current law allowed for a claim for a refund if the amount  
20 was greater than \$10. This bill does not allow a claim for a  
21 refund unless the claimant has accumulated \$250 in credits for  
22 one calendar quarter and provides that if the \$250 credit has  
23 not been met in the calendar year, the credit may be claimed  
24 on the taxpayer's income tax return.

25 The bill provides penalties and enforcement provisions.  
26 For the illegal use of dyed fuel in the supply tank of a  
27 vehicle, the owner or operator shall be assessed a civil  
28 penalty of \$200 for the first violation, \$500 for the second  
29 violation within three years of the first violation, and  
30 \$1,000 for a third and subsequent violation within three years  
31 of the first violation. For the illegal importation of motor  
32 fuel or undyed special fuel without a valid importer's or  
33 supplier's license, the owner or operator of the importing  
34 vehicle or the owner of the fuel shall be subject to a \$2,000  
35 civil penalty and detention of the importing vehicle until the

1 fine is paid. For a second violation, the importing vehicle  
2 is detained and a fine of \$5,000 must be paid before the  
3 vehicle will be released. For a third and subsequent  
4 violation, the importing vehicle and the fuel will be seized  
5 and a fine of \$10,000 must be paid before the vehicle is  
6 released. An additional \$5,000 fine is imposed if the vehicle  
7 or the fuel is moved before the tax, penalty, and interest is  
8 paid. The bill provides that a person who files an incorrect  
9 refund claim shall be subject to a 10 percent penalty for the  
10 amount by which the amount claimed and refunded exceeds the  
11 amount due. If a person files a fraudulent refund claim, the  
12 penalty is 75 percent of the amount by which the amount  
13 claimed and refunded exceeds the amount due. The bill  
14 provides that the deliberate heating of taxable motor fuel or  
15 special fuel by dealers prior to consumer sale is a simple  
16 misdemeanor and that anyone who attempts to prevent, stop, or  
17 delay an inspection of fuel or shipping papers is subject to a  
18 civil penalty of not more than \$1,000. The bill provides that  
19 a retailer who does not conspicuously label a fuel pump or  
20 other delivery facility is subject to a \$100 penalty.

21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35