

**MOTOR FUELS TAX RULES COMMITTEE
AGENDA**

The Committee convenes on Thursday, May 7, 2015, 1:30PM at:
Idaho State Tax Commission
Room 1CR5 / Plaza IV / 800 Park Ave / Boise, Idaho

1:30 pm – Call to order

1. Committee Chair report Don Williams

2. Open discussion on rules proposed for review.
 - A. Temporary rule:
 - a. **Rule 110 CALCULATION OF TAX ON GASEOUS FUELS** (Draft 1)
Temporary rule to allow for tax rate changes.

 - B. Non-negotiated rule amendments:
 - a. **Rule 004 INCORPORATION BY REFERENCE** (Draft 1) Amend to update references for IFTA and IRP documents.
 - b. **Rule 115 WHEN THE GASOLINE TAX RATE INCREASES, USE CONVERSION FACTOR TO ADJUST ANNUAL GASEOUS FUELS PERMIT FEES** (Draft 1) Repeal of rule authorized by H132-2015.
 - c. **Rule 132 LICENSED GASEOUS FUELS DISTRIBUTOR'S REPORTS (No Draft)** Amend to remove gaseous fuel decals authorized by H132-2015.
 - d. **Rule 410 ADOPTION OF INTERNATIONAL FUEL TAX AGREEMENT** (Draft 1) Amend to update revision date of IFTA Articles of Agreement.
 - e. **Rule 510 APPLICATION AND REPORTING OF THE PETROLEUM TRANSFER FEE** (Draft 1) Amend Subsection 07, Licensed Distributors and Limited License, authorized by H0043-2015.

 - C. Negotiated rule amendments:
 - a. **Rule 280 REFUND TO CONSUMERS FOR NONTAXABLE USES OF MOTOR FUELS (No Draft)** Amend so all fuel refunds are filed on Form 75.
 - i. Audit to provide follow up information.

3. Rules changes proposed by stakeholders.

4. Next meeting is scheduled for June 4, 2015.

5. Adjourn

For more information, please contact the Committee Chair at don.williams@tax.idaho.gov or call (208) 334-7855; or the Rules Coordinator at sherry.briscoe@tax.idaho.gov or call 208.334.7544. All agendas and rules related documents are posted on our website under the appropriate committee.

MOTOR FUELS TAX RULE 110 (TEMPORARY RULE DRAFT 1)

110. CALCULATION OF TAX ON GASEOUS FUELS (RULE 110).

Section 63-2424, Idaho Code.

01. In General. The following applies to gaseous special fuels: (4-11-15)

a. A gaseous special fuel is a special fuel that is a gas at sixty (60) degrees Fahrenheit and fourteen and seven-tenths (14.7) pounds per square inch absolute. (4-11-15)

b. A gaseous special fuel may be sold at volumes or weights other than those listed in this section, but, must be converted to the volumes and weights used in this section for reporting purposes to ensure that the gaseous special fuels are taxed at the energy equivalent to a gallon of gasoline. (4-11-15)

02. Computing Gaseous Special Fuel Tax Equivalents ~~The following equivalents will be used when calculating amounts of gaseous special fuel sold and corresponding tax amounts for motor fuels tax reporting purposes.~~ The gaseous special fuel tax is computed by multiplying the percentage of gasoline energy equivalent times the current gasoline tax rate for each type of gaseous special fuel. Gaseous special fuel distributors are required to report the volumes and tax as required by the fuel distributor form.

Motor Fuel	BTUs per liquid gallon or gallon equivalent	Tax per liquid gallon	Equivalent Volume per Gasoline Gallon Equivalent (GGE)	Tax per GGE	Volume per Diesel Gallon Percentage of Gasoline Energy Equivalent (DGE)	Tax per DGE
Gasoline	127,000	25¢	1 gallon	25¢	N/A 100%	N/A
Propane	92,000	18.1¢	1.39 gallon 4.25 lbs. or 1 gallon	25¢	N/A 72.44%	N/A
Compressed Natural Gas (CNG)	N/A 127,000	N/A	126.67 cu. ft. or 5.66 lbs. @ 60° F.	25¢	N/A 100%	N/A
Liquefied Natural Gas (LNG)	84,800 138,400	16.7¢	N/A 6.06 lbs.	N/A	6.06 lbs. 108.98%	27.3¢
Diesel	138,400	25¢	N/A	N/A	1 gallon	25¢

(4-11-15) ()

State Tax Commission Negotiated Rule Making Checklist

Determination of Feasibility of Negotiated Rule Making

Title and Description of rule under consideration:

110. CALCULATION OF TAX ON GASEOUS FUELS (RULE 110) *This is an amendment to allow conversion for new tax rates. It is a temporary rule due to the imposition of a new tax rate effective July 1, 2015. It is also a proposed rule after the expiration of the temporary rule.*

Issues that may lessen feasibility of Negotiated Rule Making	Applicable Issue(s)	Explanation of Applicability of issue(s)
Requirement to comply with existing federal statute or regulation	No	
Requirement to comply with existing state statute	Yes	Sections 63-2402 and 63-2424 as amended by H0132 and H312 (2015).
Requirement to comply with controlling judicial precedent	No	
Confidentiality of issues under consideration	No	
Need for temporary rule making	Yes	Effective date of the tax rate change is July 1, 2015.
Simple nature of the proposed rule change	Yes	Update the rule to allow for future tax rate changes.
Lack of identifiable representatives of affected interests	No	
Determination that affected interests are not likely to reach a consensus on the proposed rule	No	

DETERMINATION: THIS RULE WILL NOT BE NEGOTIATED

MOTOR FUELS TAX – RULE 004 (DRAFT 1)

004. INCORPORATION BY REFERENCE (RULE 004).

Sections 63-2434, 63-2442A, and 49-439, Idaho Code. The following documents are incorporated by reference:

01. Income Tax Administration and Enforcement Rules. These rules incorporate the sections of IDAPA 35.02.01, “Tax Commission Administration and Enforcement Rules” relating to the statutes authorized by Section 63-2434, Idaho Code. ()

02. International Fuel Tax Agreement. These rules incorporate the International Fuel Tax Agreement (IFTA) governing documents: the IFTA Articles of Agreement (revised July 1, 2013), the IFTA Procedures Manual (revised January 1, ~~2013~~ 2015), and the IFTA Audit Manual (revised January 20, ~~2013~~ 2012). IFTA is an international agreement between jurisdictions to encourage use of the highway system by uniformly administering fuels use tax laws. These documents can be found on the IFTA website at <http://www.iftach.org>. ()

03. International Registration Plan. These rules incorporate the International Registration Plan (IRP) governing documents: The IRP Plan (revised January 1, ~~2014~~ 2015) and IRP Audit Procedures Manual (revised July 1, 2013). IRP is an international registration reciprocity agreement. The documents are included to aid the Commission in complying with IRP registration application audits authorized in Chapter 4, Title 49, Idaho Code. These documents can be found on the IRP website at <http://www.irponline.org>. ()

State Tax Commission Negotiated Rule Making Checklist

Determination of Feasibility of Negotiated Rule Making

Title and Description of rule under consideration:

004. INCORPORATION BY REFERENCE (RULE 004) *This is a new section which gives the bonding requirements for an IFTA licensee. This is allowed by the IFTA Articles of Agreement and Section 63-2442A, Idaho Code. Additional information is provided to define terms or outline procedures not covered in IFTA.*

Issues that may lessen feasibility of Negotiated Rule Making	Applicable Issue(s)	Explanation of Applicability of issue(s)
Requirement to comply with existing federal statute or regulation	No	
Requirement to comply with existing state statute	Yes	Sections 63-2442A and 49-439.
Requirement to comply with controlling judicial precedent	No	
Confidentiality of issues under consideration	No	
Need for temporary rule making	No	
Simple nature of the proposed rule change	Yes	Updating references to documents incorporated by reference.
Lack of identifiable representatives of affected interests	Yes	
Determination that affected interests are not likely to reach a consensus on the proposed rule	No	

DETERMINATION: THIS RULE WILL NOT BE NEGOTIATED

MOTOR FUELS TAX – RULE 115 (REPEAL RULE)

~~115. WHEN THE GASOLINE TAX RATE INCREASES, USE CONVERSION FACTOR TO ADJUST ANNUAL GASEOUS FUELS PERMIT FEES (RULE 115).~~

~~Section 63-2424, Idaho Code.~~

~~The following conversion factors for each vehicle weight class should be multiplied by the new tax rate for gasoline found in Section 63-2402, Idaho Code, and rounded to nearest dollar to adjust the annual gaseous fuels permit fees.~~

VEHICLE WEIGHT	CONVERSION FACTOR
Zero (0) to eight thousand (8,000) lbs	- Two hundred thirty-eight (238)
Eight thousand and one (8,001) to sixteen thousand (16,000) lbs	- Three hundred fifty-seven (357)
Sixteen thousand and one (16,001) to twenty six thousand (26,000) lbs	- Seven hundred fourteen (714)
Twenty six thousand and one (26,001) lbs and above	- Eight hundred thirty-three (833)

~~(5-3-03)~~

State Tax Commission Negotiated Rule Making Checklist

Determination of Feasibility of Negotiated Rule Making

Title and Description of rule under consideration:

115. WHEN THE GASOLINE TAX RATE INCREASES, USE CONVERSION FACTOR TO ADJUST ANNUAL GASEOUS FUELS PERMIT FEES (RULE 115). *This rule is no longer authorized by Section 63-2424, Idaho Code.*

Issues that may lessen feasibility of Negotiated Rule Making	Applicable Issue(s)	Explanation of Applicability of issue(s)
Requirement to comply with existing federal statute or regulation	No	
Requirement to comply with existing state statute	No	No longer authorized by Section 63-2424, Idaho Code.
Requirement to comply with controlling judicial precedent	No	
Confidentiality of issues under consideration	No	
Need for temporary rule making	No	
Simple nature of the proposed rule change	No	
Lack of identifiable representatives of affected interests	Yes	
Determination that affected interests are not likely to reach a consensus on the proposed rule	No	

DETERMINATION: THIS RULE WILL NOT BE NEGOTIATED

MOTOR FUELS TAX – RULE 132 (DRAFT 1)

132. LICENSED GASEOUS FUELS DISTRIBUTOR'S REPORTS (RULE 132).

Section 63-2424, Idaho Code.

01. Monthly Reports. Every licensed gaseous fuels distributor (distributor) shall file with the State Tax Commission a monthly tax report and supporting detailed schedules on forms prescribed by the State Tax Commission. Such reports shall contain a declaration by the person filing the report that the statements contained therein are true and are made under penalties of perjury. The report shall include the following information together with such other information as the State Tax Commission may require: (3-20-14)

a. The total taxable gallons of gaseous fuels delivered into the supply tank of registered motor vehicles; (3-30-07)

b. The taxable gallons after deduction of a two percent (2%) allowance. See Rule 140 of these rules; (4-5-00)

~~**c.** The tax computation; (7-1-99)~~

~~**d.** The bad debt amount, if any. (This credit or debit only applies to debt from fuels taxes that have been written off for income tax purposes in the distributor's records before December 1, 2007.) See Rule 140 of these rules; (4-2-08)~~

~~**e.** The gaseous fuels permit fees (Attach to the report the yellow copy of the receipt for each gaseous fuels permit sold during that month); and (4-5-00)~~

f c. The net tax due; (4-5-00) ()

g d. A receipt schedule reporting the total number of taxable gallons of gaseous fuels sold must be attached to the distributor's report. (4-5-00) ()

02. Report Due and Payment Required. The report shall be due on or before the last day of the month following the month to which the report relates together with the payment of any tax, ~~annual gaseous fuels permit fees~~, penalty or interest due. See Rule 010 of these rules relating to method of payment and requirement for payments of one hundred thousand dollars (\$100,000) or more. (7-1-99) ()

03. Failure to Pay Tax and Permit Fees. Any distributor required to pay the tax ~~or permit fee~~ imposed by Section 63-2424, Idaho Code, who fails to pay such tax ~~or permit fee~~ shall be liable to the State Tax Commission for the amount of tax ~~or permit fee~~ not paid plus any applicable penalty or interest. The State Tax Commission may collect such amounts in the manner provided in Section 63-2434, Idaho Code. (3-20-14) ()

04. Receipt of Gaseous Fuels. The ~~special motor~~ fuels tax is not imposed on gaseous fuels when the fuels ~~are received in first enter~~ Idaho. Propane and natural gas are presumed to be tax-exempt fuels unless delivered into the main supply tank of a ~~registered licensed~~, or required to be ~~registered licensed~~, motor vehicle. (3-20-14) ()

~~05. Annual Fees for Gaseous Fuels Permits.~~ Persons operating vehicles powered by gaseous fuels may pay an annual fee for a gaseous fuels permit instead of paying the special fuel taxes at the time propane or natural gas is purchased. Distributors who sell these permits shall issue a permit that will be in the form of a decal to be displayed in a conspicuous spot visible from the outside of the permitted vehicle. The fees for gaseous fuels permits are based on the gross vehicle weight of the vehicles and are set by Rule 115 of these rules as is mandated by Section 63-2424(2), Idaho Code. The gaseous fuels permit is valid for the annual permit period of July 1 through June 30 of the following year. The annual permit period displayed on the decal will be the year in which the decal expires. (3-20-14)

~~06. Documentation of Exempt Sales of Gaseous Fuels Delivered into Motor Vehicles.~~ Gaseous fuels delivered into the fuel supply tank of a registered, or required to be registered, motor vehicle are taxable except for: (3-20-14)

~~a. Government.~~ Gaseous fuels used by vehicles owned or leased, and operated by the federal government, or by an instrumentality of the state of Idaho, including all of its political subdivisions, are exempt from the special fuels tax on gaseous fuels. In this case, the distributor must record the name of the governmental entity, the license or identification number, and the type of vehicle on the sales document. (3-20-14)

~~b. Gaseous Fuels Decal.~~ Gaseous fuels dispensed into the fuel supply tank of a motor vehicle displaying a valid Gaseous Fuels Decal are exempt from tax. For the exempt status to be valid, the distributor must record the purchaser's name, address, vehicle license number, and the words "gaseous fuels decal" or the decal number on the sales document. (3-20-14)

~~c. Manned and Unmanned Stations.~~ A manned station must have a representative at the point of sale to visually inspect the vehicle, including the decal when required, in order to make exempt sales of gaseous fuels. Exempt sales of gaseous fuel from an unmanned station are allowed when each sale is recorded by other visual means. When a distributor cannot meet the previous two requirements, it must request approval from the State Tax Commission before making exempt sales of gaseous fuels. (3-20-14)

~~07. Completion of Gaseous Fuels Receipt Book(s).~~ The following information is required to be recorded by a gaseous fuels distributor in his gaseous fuels receipt book for each gaseous fuels permit (decal) sold: (4-5-00)

~~a. The date;~~ (4-5-00)

~~b. The amount;~~ (4-5-00)

~~c. One (1) of the following weight classes:~~ (4-5-00)

- i. ~~Zero eight thousand pounds (0 8,000 lbs.); or (4 5 00)~~
- ii. ~~Eight thousand one sixteen thousand pounds (8,001 16,000 lbs.); or (4 5 00)~~
- iii. ~~Sixteen thousand one twenty six thousand pounds (16,001 26,000 lbs.); or (4 5 00)~~
- iv. ~~Twenty six thousand one pounds (26,001 lbs.) and over. (4 5 00)~~
- d. ~~The current month; (4 5 00)~~
- e. ~~The annual permit period; (4 5 00)~~
- f. ~~The customer's name and vehicle license plate number; (4 5 00)~~
- g. ~~The name and license number of the gaseous fuels distributor who is selling the permit; and (4 5 00)~~
- h. ~~The signature of the salesperson. (4 5 00)~~

08. ~~Annual Reconciliation of Gaseous Fuels Receipt Books and Decals.~~ ~~A distributor who sells gaseous fuels permits must reconcile its account with the State Tax Commission for the annual permit period ending June 30, by July 31, of the same year. Distributors may begin ordering decals and receipt books in May for the upcoming annual permit period. The following is required to be received by the State Tax Commission for reconciliation: (4 5 00)~~

- a. ~~All unused/unsold gaseous fuels decals; (4 5 00)~~
- b. ~~All voided receipts (white and yellow copies) not previously submitted with the distributor report; (4 5 00)~~
- c. ~~All receipt books (pink copies must be intact); and (4 5 00)~~
- d. ~~A completed gaseous fuels reconciliation form which includes: (4 5 00)~~
 - i. ~~The number of decals ordered for the annual permit period; (4 5 00)~~
 - ii. ~~The number of decals sold for the annual permit period; (4 5 00)~~
 - iii. ~~The balance of decals at the end of the annual permit period; and (4 5 00)~~
 - iv. ~~The number, if any, of decals lost or destroyed. If decals are lost or destroyed, a statement describing the circumstances of the loss or destruction must accompany the distributor's gaseous fuels permit reconciliation. (4 5 00)~~

09. ~~Assessment for Unaccounted for Decals.~~ ~~An amount equal to the annual fee of the~~

~~highest weight class will be assessed for each decal not accounted for during the annual reconciliation, unless there is clear and convincing evidence the decal was destroyed or mutilated.~~ (3-20-14)

~~**10. Sales of Gaseous Fuels Decals by the State Tax Commission.** The State Tax Commission may act as a seller of gaseous fuels decals. The State Tax Commission will maintain records and report sales of decals in a manner sufficient to reconcile its accounts.~~ (3-20-14)

State Tax Commission Negotiated Rule Making Checklist

Determination of Feasibility of Negotiated Rule Making

Title and Description of rule under consideration:

132. LICENSED GASEOUS FUELS DISTRIBUTOR'S REPORTS (RULE 132) *This rule is amended to delete references to the gaseous fuel decal removed from section 63-2424, Idaho Code, by H0132 in 2015.*

Issues that may lessen feasibility of Negotiated Rule Making	Applicable Issue(s)	Explanation of Applicability of issue(s)
Requirement to comply with existing federal statute or regulation	No	
Requirement to comply with existing state statute	Yes	Portions of the rule are no longer authorized by Section 63-2424 as amended by H0132 in 2015.
Requirement to comply with controlling judicial precedent	No	
Confidentiality of issues under consideration	No	
Need for temporary rule making	No	
Simple nature of the proposed rule change	No	
Lack of identifiable representatives of affected interests	No	All sellers and users of gaseous fuel decals.
Determination that affected interests are not likely to reach a consensus on the proposed rule	No	

DETERMINATION: THIS RULE WILL NOT BE NEGOTIATED

MOTOR FUELS TAX – RULE 410 (DRAFT 1)

410. ADOPTION OF INTERNATIONAL FUEL TAX AGREEMENT (RULE 410).

Under the authority of Sections 63-2434, 63-3039, 67-5203, and 63-2442A, Idaho Code, the State Tax Commission and motor fuels users licensed or required to be licensed pursuant to the International Fuel Tax Agreement (IFTA), are governed by the provisions of the IFTA Articles of Agreement (Agreement), Article I, Section R120 Governing Documents (revised ~~January~~ July 1, 2013). This section is incorporated by reference. The Agreement, Procedures Manual and Audit Manual are equally binding on all IFTA members jurisdictions and licensees. Motor fuels users who operate under an Idaho IFTA license must comply with all applicable rules contained in these rules. ~~(3-20-14)~~ ()

State Tax Commission Negotiated Rule Making Checklist

Determination of Feasibility of Negotiated Rule Making

Title and Description of rule under consideration:

410. ADOPTION OF INTERNATIONAL FUEL TAX AGREEMENT (RULE 410) *This is a new section which gives the bonding requirements for an IFTA licensee. This is allowed by the IFTA Articles of Agreement and Section 63-2442A, Idaho Code. Additional information is provided to define terms or outline procedures not covered in IFTA.*

Issues that may lessen feasibility of Negotiated Rule Making	Applicable Issue(s)	Explanation of Applicability of issue(s)
Requirement to comply with existing federal statute or regulation	No	
Requirement to comply with existing state statute	Yes	Sections 63-2442A and 49-439.
Requirement to comply with controlling judicial precedent	No	
Confidentiality of issues under consideration	No	
Need for temporary rule making	No	
Simple nature of the proposed rule change	Yes	Updating references to documents incorporated by reference.
Lack of identifiable representatives of affected interests	Yes	
Determination that affected interests are not likely to reach a consensus on the proposed rule	No	

DETERMINATION: THIS RULE WILL BE NEGOTIATED

MOTOR FUELS TAX – RULE 510 (DRAFT 1)

510. APPLICATION AND REPORTING OF THE PETROLEUM TRANSFER FEE (RULE 510).

01. Application. (6-23-94)

a. The Petroleum Transfer Fee applies to the first receipt of any petroleum or petroleum product within this state. The amount of the fee is one cent (\$0.01) for each gallon of petroleum or petroleum product received. The fee shall be paid by the distributor who receives any petroleum or petroleum product not excluded from the fee, unless the fee has previously been paid on the same petroleum or petroleum product. Only licensed Idaho fuel distributors may receive refunds or credits of the transfer fee. The refunds or credits must be claimed on the distributor report required in Section 63-2406, Idaho Code, according to Rule 180. (3-20-14)

b. The legal incidence of the fee is on the first distributor which receives any petroleum or petroleum product. This distributor is required to report and pay the transfer fee to the State Tax Commission. The fee is not required to be separately stated on any invoice, receipt, or other billing document. A choice to state separately the fee does not change its legal incidence or its nature. (3-20-14)

02. Receipt of Petroleum Products. Receipt of petroleum or petroleum products shall be determined according to Section 63-2403, Idaho Code. Receipt is determined by the movement of petroleum or petroleum products from permanent storage facility (terminal) or crossing the border of this state. Storage of petroleum or petroleum products is incidental to the movement of the petroleum or petroleum products. (3-20-14)

03. Exemption to Application of the Transfer Fee. The Petroleum Transfer Fee does not apply to petroleum or petroleum products that are: (6-23-94)

a. Returned to the refinery or pipeline terminal. (6-23-94)

b. Exported from this state. No fuel will be considered exported, unless the distributor can prove the export by documentation required by Rule 140 of these rules. (7-1-99)

c. Received by a railroad or railroad corporation or any employee of them. Petroleum or petroleum products sold by a licensed distributor to a railroad or railroad corporation or any employee of them is subject to the Petroleum Transfer Fee unless the petroleum or petroleum products are “received” by the railroad or railroad corporation as defined in Section 63-2403, Idaho Code. The exclusion for railroad employees applies only when the activity relating to the fuel is part of their employment with the railroad or railroad corporation. (7-1-99)

d. Received in retail containers of fifty-five (55) gallons or less or petroleum products to be packaged or repackaged into retail containers of fifty-five (55) gallons or less, if such containers

are intended to be transferred to the ultimate consumer of the petroleum or petroleum products.
(6-23-94)

04. Casualty Loss and Two Percent (2%) Allowance Not Deductible. All petroleum and petroleum products received in this state that ~~are not within~~ do not qualify for an exemption or exclusion listed in this rule are subject to the fee, without further deductions or discounts despite the product's use. Deductions allowed to motor fuel distributors in Section 63-2407, Idaho Code, for casualty loss and the two percent (2%) allowance are not deductions applicable to the Petroleum Transfer Fee.

~~(3-20-14)~~ ()

05. Petroleum and Petroleum Products. The products subject to the Petroleum Transfer Fee are crude oil or any fraction of it that is liquid at a temperature of sixty (60) degrees Fahrenheit and a pressure of fourteen and seven tenths (14 7/10) psi. These products are all products refined from crude oil including but not limited to motor gasoline, alcohol blended fuels, such as E-10 and E-85, including the alcohol content of blended fuel, diesel fuel (#1 - #6), biodiesel blended fuels, such as B-20, including the biodiesel content of the blended fuel, heating oil, aviation fuel, naphtha, naphtha-type jet fuel, kerosene-type jet fuel (JP#1 - #8), motor oil, brake fluid, tractor fuel, distillate fuel oil, stove fuel, unfinished oils, turpentine substitutes, lamp fuel, diesel oils (#1 - #6), engine oils, railroad oils, kerosene, commercial solvents, lubricating oils, fuel oil, boiler fuel, refinery fuel, industrial fuel, bunker fuel, residual fuel oil, road oils, and transmission fluids. Ethanol (E00), natural gasoline, and biodiesel (B00) are also defined as petroleum and petroleum products that are subject to the Petroleum Transfer Fee. (4-7-11)

06. Exclusion of Petroleum and Petroleum Products on Which The Fee Has Previously Been Paid. Used oil as defined by 40 CFR Part 279 (July 1, 2000) is presumed to be comprised of petroleum or petroleum products on which the transfer fee has previously been paid when generated in Idaho. The distributor shall not report used oil generated in Idaho on the distributor report nor shall a distributor pay or receive a credit of the transfer fee on used oil generated in Idaho. When used oil is not generated in Idaho it is presumed to be subject to the transfer fee. The distributor must report and pay the transfer fee unless an exemption or exclusion applies.
(3-20-14)

07. Licensed Distributors and Limited Licenses. Any person holding a distributor's license issued by the State Tax Commission ~~under Section 63-2427A, Idaho Code,~~ is also licensed for the Petroleum Transfer Fee. No additional license is required. Any person who is the first receiver ~~receiver of~~ any petroleum or petroleum product in this state, ~~but who~~ is not a licensed distributor nor required to obtain a license ~~under Section 63-2427A, Idaho Code,~~ and shall apply ~~to the State Tax Commission~~ for a limited distributor's license. ~~The limited license is only for reporting the Petroleum Transfer Fee and is not a license~~ for any purpose under Chapter 24, Title 63, Idaho Code.
(7-1-99) ()

08. Reporting Requirements. (6-23-94)

a. Distributors ~~licensed under Section 63-2427A, Idaho Code,~~ shall report and pay the Petroleum Transfer Fee with the distributor's report required by ~~Section 63-2406~~ Chapter 24,

Title 63, Idaho Code. For fuel subject to the taxes imposed by Sections 63-2402 and 63-2408, Idaho Code, the Petroleum Transfer Fee shall be included in the report in which the distributor is required to report the tax on the same fuel. ~~(5-3-03)~~ ()

b. Persons holding a limited license shall file a monthly report with the State Tax Commission on forms prescribed by the State Tax Commission on or before the last day of the month following the month to which the report relates. (7-1-99)

c. The provisions of Rule 130 of these rules, apply to reports of the Petroleum Transfer Fee. (7-1-99)

09. Payment. (6-23-94)

a. Payment of the fee is due on the due date of the report. For method of payment, including required use of electronic funds transfer, see Rule 010 of these rules. (6-23-94)

b. Any partial payment or collection of amounts shown due or required to be shown due on a distributor's report, plus any additional amount of penalty or interest due, shall be allocated between the motor fuels tax and the Petroleum Transfer Fee in the same proportion that the liability for the tax and the fee bear to the total liability. (6-23-94)

10. Incorporation of Other Relevant Rules. Section 41-4909, Idaho Code, incorporated by reference various provisions of the Income Tax Act, Chapter 30, Title 63, Idaho Code, to apply to the administration and enforcement of the Petroleum Transfer Fee. For applying and construing those sections as they apply to the Petroleum Transfer Fee, the Administration and Enforcement Rules relating to those sections of the Income Tax Act are adopted as part of these rules, as if set out in full. In addition, Administration and Enforcement Rule 110, (IDAPA 35.02.01.110) relating to requests for declaratory rulings, is adopted as part of these rules, as if set out in full. (4-6-05)

State Tax Commission Negotiated Rule Making Checklist

Determination of Feasibility of Negotiated Rule Making

Title and Description of rule under consideration:

510. APPLICATION AND REPORTING OF THE PETROLEUM TRANSFER FEE (RULE 510). *This rule outlines how the transfer fee authorized by section 41-4909 will be administered. When the limited license authorized by section 41-4903 as included in section, 63-2427C, some grammatical changes are required by this section.*

Issues that may lessen feasibility of Negotiated Rule Making	Applicable Issue(s)	Explanation of Applicability of issue(s)
Requirement to comply with existing federal statute or regulation	No	
Requirement to comply with existing state statute	Yes	Technical corrections required by H0043 passed in 2015.
Requirement to comply with controlling judicial precedent	No	
Confidentiality of issues under consideration	No	
Need for temporary rule making	No	
Simple nature of the proposed rule change	Yes	
Lack of identifiable representatives of affected interests	Yes	
Determination that affected interests are not likely to reach a consensus on the proposed rule	No	

DETERMINATION: THIS RULE WILL BE NEGOTIATED

MOTOR FUELS TAX – RULE 280 (REPEAL RULE)

Similar language in Rule 250.06.

~~**280. REFUND TO CONSUMERS FOR NONTAXABLE USES OF MOTOR FUELS (RULE 280).**~~

~~The Idaho Form 75 must be used to claim a fuels tax refund for all nontaxable uses of Idaho tax-paid motor fuels, except for refunds claimed by IFTA licensees for nontaxable miles which must be claimed on the licensee's IFTA return. (5-3-03)~~

State Tax Commission Negotiated Rule Making Checklist

Determination of Feasibility of Negotiated Rule Making

Title and Description of rule under consideration:

280. REFUND TO CONSUMERS FOR NONTAXABLE USES OF MOTOR FUELS (Rule 280) *This rule requires all refund claims be filed on the Form 75, Idaho Fuel Use Report except IFTA licensees claiming nontaxable miles. IFTA licensees are required to claim nontaxable miles on their IFTA return. Except for the requirement for IFTA licensees, the rule is redundant. Repealing the rule will require IFTA licensees claim refunds as other taxpayers.*

Issues that may lessen feasibility of Negotiated Rule Making	Applicable Issue(s)	Explanation of Applicability of issue(s)
Requirement to comply with existing federal statute or regulation	No	
Requirement to comply with existing state statute	Yes	Sections 63-2410 and 63-2423, Idaho Code.
Requirement to comply with controlling judicial precedent	No	
Confidentiality of issues under consideration	No	
Need for temporary rule making	No	
Simple nature of the proposed rule change	No	
Lack of identifiable representatives of affected interests	No	
Determination that affected interests are not likely to reach a consensus on the proposed rule	No	All trucking related entities and associations representing trucking entities traveling interjurisdictionally. ITA, ATA, etc.

DETERMINATION: THIS RULE WILL BE NEGOTIATED