

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2276 Session of 2014

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 HANNA, MILLARD, MOLCHANY, REED, SONNEY AND STURLA,  
 MAY 28, 2014

REFERRED TO COMMITTEE ON TRANSPORTATION, MAY 28, 2014

AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated  
 2 Statutes, in motor carriers road tax identification markers,  
 3 further providing for definitions, for identification markers  
 4 and license or road tax registration card required, for false  
 5 statements and penalties, for special investigators and  
 6 powers and for exemptions, providing for uncollectible  
 7 payments and for emergency proclamations; in liquid fuels and  
 8 fuels tax, further providing for definitions, for liquid  
 9 fuels and fuels permits and bond or deposit of securities,  
 10 for imposition of tax, exemptions and deductions, for  
 11 taxpayer, for distributor's report and payment of tax, for  
 12 determination and redetermination of tax, penalties and  
 13 interest due, for retention of records by distributors and  
 14 dealers, for discontinuance or transfer of business, for  
 15 suspension or revocation of permits, for lien of taxes,  
 16 penalties and interest, for reports from common carriers, for  
 17 reward for detection of violations, for refunds, for  
 18 violations, for diesel fuel importers and transporters,  
 19 prohibiting use of dyed diesel fuel on highways, violations  
 20 and penalties and for uncollectible checks, providing for  
 21 emergency assistance in a timely manner and for electric  
 22 vehicle road fee; in liquid fuels and fuel use tax  
 23 enforcement, further providing for construction of chapter,  
 24 for revenue agents and powers and for forfeitures, process  
 25 and procedures; in taxes for highway maintenance and  
 26 construction, further providing for imposition of tax; in  
 27 motor carriers road tax, further providing for definitions,  
 28 for credit for motor fuel tax payment and for records,  
 29 providing for recordkeeping, further providing for surety  
 30 bond for payment of taxes, for penalty and interest for  
 31 failure to report or pay tax, for manner of payment and

1 recovery of taxes, penalties and interest, for determination,  
2 redetermination and review and for timely mailing treated as  
3 timely filing and payment, providing for method of filing and  
4 timeliness, further providing for reciprocal agreements and  
5 providing for reciprocal agreements and for emergency  
6 assistance in a timely manner; and making editorial changes.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. Section 2101.1 of Title 75 of the Pennsylvania  
10 Consolidated Statutes is amended by adding definitions to read:  
11 § 2101.1. Definitions.

12 The following words and phrases when used in this chapter and  
13 in Chapter 96 (relating to motor carriers road tax) shall have  
14 the meanings given to them in this section unless the context  
15 clearly indicates otherwise:

16 "Department." The Department of Revenue of the Commonwealth.

17 \* \* \*

18 "IFTA vehicle." A vehicle subject to the International Fuel  
19 Tax Agreement, notwithstanding an exemption for the vehicle  
20 provided by the law of an IFTA jurisdiction, including this  
21 Commonwealth.

22 \* \* \*

23 Section 2. Section 2102(a)(6), (c)(2) and (d) of Title 75,  
24 amended November 25, 2013 (P.L.974, No.89), are amended and the  
25 section is amended by adding subsections to read:

26 § 2102. Identification markers and license or road tax  
27 registration card required.

28 (a) General rule.--The Secretary of Revenue shall provide  
29 identification markers as follows:

30 \* \* \*

31 (6) The [Department of Revenue] department, for cause,  
32 may deny, suspend or revoke any license, road tax  
33 registration card or identification markers issued under this

1 section after an opportunity for a hearing has been afforded  
2 the carrier, provided, however, that a license, a road tax  
3 registration card or identification markers may be denied or  
4 may be suspended or revoked for failure to file a return as  
5 required or for nonpayment of moneys due and not under appeal  
6 under this chapter or Chapter 96, including related motor  
7 fuel taxes prior to a hearing.

8 (a.1) IFTA decals, changes in disposition, tax liability and  
9 recordkeeping.--

10 (1) An IFTA licensee is responsible for notifying the  
11 department in writing of a change to the licensee's IFTA  
12 account, including, but not limited to, an account  
13 cancellation, address change and change to the use of issued  
14 decals. The following apply:

15 (i) When a vehicle to which IFTA decals have been  
16 affixed is sold, traded or otherwise disposed of by the  
17 operator or passes from control of the operator through  
18 lease or otherwise, the motor carrier must notify the  
19 department within 30 days after the vehicle leaves the  
20 licensee's service. Proper notification must include the  
21 taxpayer's or carrier's account number, tractor  
22 registration plate number, the date of disposition change  
23 and the name and address of the person in possession of  
24 the vehicle. This notification must be mailed, faxed or  
25 e-mailed to the department.

26 (ii) Canceled decals, if recoverable, must remain in  
27 the licensee's files for at least four years for auditing  
28 purposes.

29 (2) A licensee to whom an identification card and decals  
30 were issued shall be liable for taxes applicable to the

1 operations of the vehicles licensed until the date the  
2 department receives proper notification of disposition or  
3 loss of control of the vehicles licensed. The licensee's  
4 liability for such vehicles will terminate upon the date of  
5 disposition or loss of control if the carrier provides the  
6 department notification of vehicle disposition or loss of  
7 control of the licensed vehicles within 30 days of  
8 disposition or loss of control.

9 (3) For carriers using independent contractors under  
10 long-term leases that are 30 days or longer, the lessor and  
11 lessee may designate which party will report and pay the  
12 motor carriers road tax. In the absence of a written  
13 agreement or contract or if the document is silent regarding  
14 responsibility for reporting and paying the motor carriers  
15 road tax, the lessee will be responsible for reporting and  
16 paying the motor carriers road tax.

17 (4) Decals cannot be transferred from one vehicle to  
18 another or from one company to another.

19 (5) Unless otherwise provided for by statute, once a  
20 decal or licensed vehicle passes control from one person to  
21 another person, the decal and license are void immediately.

22 (6) A decal purchased but unused during a registration  
23 year must be kept in the licensee's files for four years for  
24 auditing purposes.

25 (7) If the carrier fails to notify the department of  
26 changes in disposition of decals, the carrier may provide the  
27 department with:

28 (i) evidence of the carrier's written policy  
29 requiring canceled decals to be returned; and

30 (ii) physical evidence that the decals were removed.

1           (8) The department may consider additional evidence in  
2           lieu of timely notification as required in this section.

3           (9) Any vehicle bearing an IFTA decal is considered an  
4           IFTA vehicle.

5           (a.2) Application.--The application must set forth the names  
6           and addresses of the principal officers or owners of the entity  
7           and other information prescribed by the department for purposes  
8           of identification. The application must be signed and verified  
9           by oath or affirmation by:

10           (1) the owner, if the applicant is an individual;

11           (2) a member or partner, if the applicant is an  
12           association; or

13           (3) an officer or an individual authorized in writing  
14           attached to the application, if the applicant is a  
15           corporation.

16           \* \* \*

17           (c) Issuance of markers and licenses or road tax  
18 registration cards.--

19           \* \* \*

20           (2) The [Department of Revenue] department shall have  
21 the power and may designate the Department of Transportation  
22 to act as an agent for the [Department of Revenue] department  
23 for the purpose of collecting the fee under subsection (b),  
24 processing the necessary papers and issuing a temporary  
25 permit to authorize the operation of a qualified motor  
26 vehicle pending issuance of permanent identification markers  
27 by the department.

28           (d) Operation without identification markers unlawful.--  
29 Except as provided in paragraphs (2) and (3), it shall be  
30 unlawful to operate or to cause to be operated in this

1 Commonwealth any qualified motor vehicle unless the vehicle  
2 bears the identification markers required by this section or  
3 valid and unrevoked IFTA identification markers issued by  
4 another IFTA jurisdiction.

5 (1) The Secretary of Revenue may by regulation exempt  
6 from the requirement to display the identification markers  
7 those qualified motor vehicles which in his opinion are  
8 clearly identifiable such that effective enforcement of this  
9 chapter will not suffer thereby.

10 (2) For a period not exceeding 30 days as to any one  
11 motor carrier, the Secretary of Revenue by letter or telegram  
12 may authorize the operation of a qualified motor vehicle or  
13 vehicles without the identification markers required when  
14 both the following are applicable:

15 (i) enforcement of this section for that period  
16 would cause undue delay and hardship in the operation of  
17 such qualified motor vehicle; and

18 (ii) the motor carrier is registered and/or licensed  
19 for the motor carriers road tax with the [Department of  
20 Revenue] department or has filed an application therefor  
21 with the [Department of Revenue] department:

22 (A) The fee for such temporary permits shall be  
23 \$7 for each qualified motor vehicle which shall be  
24 deposited in the Highway Bridge Improvement  
25 Restricted Account within the Motor License Fund.

26 (B) Conditions for the issuance of such permits  
27 shall be set forth in regulations promulgated by the  
28 [Department of Revenue] department.

29 (C) A temporary permit issued by another IFTA  
30 jurisdiction under authority similar to this

1 paragraph shall be accorded the same effect as a  
2 temporary permit issued under this paragraph.

3 (3) A motor carrier may, in lieu of paying the tax  
4 imposed and filing the tax report required by Chapter 96 and  
5 in lieu of complying with any other provisions of this  
6 section that would otherwise be applicable as a result of the  
7 operation of a particular qualified motor vehicle, obtain  
8 from the [Department of Revenue] department a trip permit  
9 authorizing the carrier to operate the qualified motor  
10 vehicle for a period of five consecutive days. The  
11 [Department of Revenue] department shall specify the  
12 beginning and ending days on the face of the permit. The fee  
13 for a trip permit for each qualified motor vehicle is \$73  
14 which shall be deposited in the Highway Bridge Improvement  
15 Restricted Account within the Motor License Fund. The report  
16 otherwise required under Chapter 96 is not required with  
17 respect to a vehicle for which a trip permit has been issued  
18 under this subsection.

19 \* \* \*

20 Section 3. Section 2103(a) and (a.1) of Title 75 are amended  
21 and the section is amended by adding a subsection to read:

22 § 2103. False statements and penalties.

23 (a) False statements.--Any person who willfully and  
24 knowingly makes, publishes, delivers or utters a false statement  
25 orally, or in writing, or in the form of a receipt for the sale  
26 of motor fuel and alternative fuel, for the purpose of obtaining  
27 or attempting to obtain, or to assist any person to obtain or  
28 attempt to obtain, a credit or refund or reduction of liability  
29 for taxes under this chapter or Chapter 96 (relating to motor  
30 carriers road tax) shall be guilty of a summary offense and,

1 upon conviction thereof, for a first offense shall be sentenced  
2 to pay a fine of not less than \$100 nor more than [\$500] \$1,000;  
3 and for each subsequent or additional offense, a fine of not  
4 less than \$200 nor more than [\$500] \$2,000, or undergo  
5 imprisonment for a term not exceeding 90 days, or both.

6 (a.1) Operation without identification marker.--

7 Notwithstanding the provisions of subsection (b), any person who  
8 violates section 2102(d) (relating to identification markers  
9 required) and who can adequately establish an absence of knowing  
10 and willful intent shall be guilty of a summary offense and  
11 shall be sentenced to pay a fine of [\$25] \$40.

12 (a.2) Accountability for decals.--Notwithstanding the  
13 provisions of subsection (b), a person who, upon inspection,  
14 examination or audit by the department, cannot account for the  
15 IFTA decals issued to the person commits a summary offense and  
16 shall be sentenced to pay a fine of not less than \$500 nor more  
17 than \$1,000 per each unaccounted decal.

18 \* \* \*

19 Section 4. Sections 2104 and 2105 of Title 75 are amended to  
20 read:

21 § 2104. Special investigators; powers.

22 Such employees of the [Department of Revenue] department as  
23 are designated as special investigators, and who carry  
24 identification indicating such capacity, are hereby declared to  
25 be peace officers of the Commonwealth, are hereby given police  
26 power and authority throughout the Commonwealth to arrest on  
27 view without warrant any driver of a qualified motor vehicle  
28 engaged in any operations in violation of any provision of this  
29 chapter or Chapter 96 (relating to motor carriers road tax) and  
30 shall have the power and authority upon probable cause that any



1 such violation may have occurred to search and seize without  
2 warrant or process any qualified motor vehicle so operated.

3 § 2105. Exemptions.

4 [(a) General rule.--The requirements of this chapter and  
5 Chapter 96 (relating to motor carriers road tax) do not apply to  
6 the following vehicles:

7 (1) A qualified motor vehicle bearing a Pennsylvania  
8 farm vehicle registration plate and operated in accordance  
9 with the restrictions of section 1344 (relating to use of  
10 farm vehicle plates) or a qualified motor vehicle registered  
11 and operated under provisions of another jurisdiction  
12 determined by the Department of Revenue to be similar to  
13 those restrictions.

14 (2) A qualified motor vehicle exempt from registration  
15 as a farm vehicle and operated in accordance with the  
16 restrictions of section 1302(10) (relating to vehicles exempt  
17 from registration) or a qualified motor vehicle operated  
18 under provisions of another jurisdiction determined by the  
19 Department of Revenue to be similar to those restrictions.

20 (3) An emergency vehicle as defined by section 102  
21 (relating to definitions).

22 (4) A qualified motor vehicle operated by or on behalf  
23 of any department, board or commission of the Commonwealth,  
24 or any political subdivision thereof, or any quasi-  
25 governmental authority of which this Commonwealth is a  
26 participating member, or any agency of the Federal Government  
27 or the District of Columbia, any foreign country, or of any  
28 state or any political subdivision thereof which grants  
29 similar exemptions to publicly owned vehicles registered in  
30 this Commonwealth.

- 1 (5) A school bus.
- 2 (5.1) A motorbus owned by and registered to a church.
- 3 (6) An implement of husbandry as defined by section 102.
- 4 (7) Special mobile equipment as defined by section 102.
- 5 (8) An unladen or towed motor vehicle or unladen trailer
- 6 which enters this Commonwealth solely for the purpose of
- 7 securing repairs or reconditioning. The repair facility shall
- 8 furnish to the motor carrier a certificate to be carried by
- 9 the qualified motor vehicle operator while the vehicle is in
- 10 this Commonwealth for the purposes of this paragraph.
- 11 (9) A qualified motor vehicle needing emergency repairs
- 12 which secures authorization from the Pennsylvania State
- 13 Police to enter this Commonwealth under this section.

14 (10) A commercial implement of husbandry.]

15 (a) Exempt entities.--Any motor carrier that is exempt from

16 motor fuels and alternative fuels taxes under section 9004(e)

17 (relating to imposition of tax, exemptions and deductions) shall

18 be exempt from the motor carriers road tax. The motor carrier is

19 not required to do any of the following:

20 (1) Display any road tax identification markers.

21 (2) Carry a cab card.

22 (b) Exempt vehicle uses.--The following qualified motor

23 vehicles are exempt from the motor carriers road tax and are not

24 required to report or display road tax identification markers:

25 (1) A qualified motor vehicle bearing a Pennsylvania

26 farm vehicle registration plate and operated in accordance

27 with the restrictions under section 1344 (relating to use of

28 farm vehicle plates) or a qualified motor vehicle registered

29 and operated under provisions of another jurisdiction

30 determined by the department to be similar to the

1 restrictions under section 1344.

2 (2) A qualified motor vehicle exempt from registration  
3 as a farm vehicle and operated in accordance with the  
4 restrictions under section 1302(10) (relating to vehicles  
5 exempt from registration) or a qualified motor vehicle  
6 operated under provisions of another jurisdiction determined  
7 by the department to be similar to the restrictions under  
8 section 1302(10).

9 (3) A Pennsylvania licensed qualified motor vehicle  
10 meeting the definition of "emergency vehicle" under section  
11 102 (relating to definitions) or a qualified motor vehicle  
12 operated under provisions of another jurisdiction determined  
13 by the department to be similar in function to an "emergency  
14 vehicle" as defined under section 102.

15 (4) A qualified motor vehicle operated by or on behalf  
16 of any agency, board or commission of this Commonwealth, or  
17 any political subdivision thereof, or any quasi-governmental  
18 authority of which the Commonwealth is a participating  
19 member, or any agency of the Federal Government or the  
20 District of Columbia, any foreign country or of any state or  
21 any political subdivision thereof which grants similar  
22 exemptions to publicly owned vehicles registered in this  
23 Commonwealth.

24 (5) A school bus qualifying for exemption under section  
25 9004(e)(5).

26 (5.1) A motorbus owned by and registered to a church.

27 (6) An implement of husbandry.

28 (7) Special mobile equipment.

29 (8) A commercial implement of husbandry.

30 (c) Special vehicle exemptions.--The following types of

1 vehicles entering this Commonwealth are exempt from the motor  
2 carriers road tax and are not required to report or display road  
3 tax identification markers:

4 (1) An unladen or towed motor vehicle or unladen trailer  
5 which enters this Commonwealth solely for the purpose of  
6 securing repairs or reconditioning. The repair facility shall  
7 furnish to the motor carrier a certificate to be carried by  
8 the qualified motor vehicle operator while the vehicle is in  
9 this Commonwealth.

10 (2) A qualified motor vehicle needing emergency repairs  
11 which secures authorization from the Pennsylvania State  
12 Police to enter this Commonwealth.

13 (d) Recordkeeping requirements.--All qualified motor  
14 vehicles, regardless whether or not the entity or vehicle is  
15 exempt under this section from the motor carriers road tax, must  
16 maintain proper records of travel routes, fuel and miles, in  
17 accordance with the recordkeeping provisions of section 9610  
18 (relating to records).

19 (e) Motor carriers road tax imposed.--Notwithstanding  
20 subsections (a) and (b), the department may impose the motor  
21 carriers road tax on any qualified motor vehicle for which  
22 proper records are not available to substantiate travel routes,  
23 fuel and miles, in accordance with the recordkeeping provisions  
24 of section 9610.

25 (f) IFTA reporting required for interstate travel.--The  
26 following shall apply:

27 (1) Notwithstanding the exemptions under subsections (a)  
28 and (b), any qualified motor vehicle registered in this  
29 Commonwealth that travels in any IFTA jurisdiction requiring  
30 the payment of motor carriers road tax or its equivalent may

1 be licensed as an IFTA vehicle by the Commonwealth in  
2 accordance with IFTA licensing provisions. Any vehicle  
3 holding or displaying IFTA credentials must file IFTA reports  
4 and make necessary payments to a base jurisdiction, even if  
5 the vehicle is exempt from motor carriers road tax in this  
6 Commonwealth.

7 (2) A vehicle obtaining trip permits under section  
8 2102(d)(3) (relating to identification markers and license or  
9 road tax registration card required) for each trip within  
10 this Commonwealth is exempt from IFTA licensing and reporting  
11 for the permitted trips.

12 [(b)] (g) Regulations.--The [Department of Revenue]  
13 department may promulgate regulations to implement this section.

14 Section 5. Title 75 is amended by adding sections to read:

15 § 2106. Uncollectible payments.

16 If the payment of a tax, penalty or interest imposed by this  
17 chapter is returned to the department as uncollectible, the  
18 department shall follow section 3003.9 of the act of March 4,  
19 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

20 § 2107. Emergency proclamations.

21 (a) Emergencies declared within this Commonwealth.--Upon the  
22 Governor's declaration of a state of emergency for this  
23 Commonwealth, the Secretary of Revenue may waive, suspend or  
24 otherwise modify any provisions of this chapter for the purpose  
25 of enabling motor carriers to respond to emergency conditions  
26 and to conduct timely emergency relief efforts. The waivers,  
27 suspensions or modifications shall be effective for a specific  
28 period of time as determined by the Secretary of Revenue and  
29 shall not exceed the termination of the state of emergency  
30 declared by the Governor.

1 (b) Emergencies declared outside this Commonwealth.--The  
2 Secretary of Revenue, with prior authorization from the  
3 Governor, may waive, suspend or otherwise modify any provisions  
4 of this chapter on a temporary and definite basis to facilitate  
5 the timely movement of vehicles or fuel from and through this  
6 Commonwealth to other jurisdictions requesting assistance from  
7 the Commonwealth.

8 (c) Recordkeeping.--Notwithstanding subsections (a) and (b),  
9 each qualified motor vehicle traveling in this Commonwealth,  
10 whether or not exempt from motor carriers road tax, under the  
11 terms of an emergency declaration shall maintain records  
12 substantiating the purchase and use of both tax-paid and tax-  
13 free fuels in this Commonwealth during the period of the  
14 declared emergency.

15 (d) Taxes not waived.--Unless specifically suspended by the  
16 Governor or Secretary of Revenue, motor fuels and alternative  
17 fuels taxes are not waived for emergencies determined under  
18 subsection (a) or (b).

19 Section 6. Chapter 90 heading of Title 75 is amended to  
20 read:

21 CHAPTER 90  
22 [LIQUID] MOTOR FUELS AND  
23 ALTERNATIVE FUELS TAXES  
24 AND ELECTRIC VEHICLE ROAD FEE

25 Section 7. Chapter 90 of Title 75 is amended by adding a  
26 subchapter heading to read:

27 SUBCHAPTER A  
28 PRELIMINARY PROVISIONS

29 Section 8. Section 9002 of Title 75, November 25, 2013  
30 (P.L.974, No.89), is amended to read:

1 § 9002. Definitions.

2 The following words and phrases when used in this chapter  
3 shall have the meanings given to them in this section unless the  
4 context clearly indicates otherwise:

5 "Alternative fuels." Natural gas, compressed natural gas  
6 (CNG), liquified natural gas (LNG), liquid propane gas and  
7 liquified petroleum gas (LPG), alcohols, E85, gasoline-alcohol  
8 mixtures containing [at least] more than 85% alcohol by volume,  
9 hydrogen, hythane[, electricity] and any other fuel used to  
10 propel motor vehicles on the public highways which is not  
11 taxable as fuels or liquid fuels under this chapter. The term  
12 does not include electricity.

13 ["Alternative fuel dealer-user." Any person who delivers or  
14 places alternative fuels into the fuel supply tank or other  
15 device of a vehicle for use on the public highways.]

16 "Association." A partnership, limited partnership or any  
17 other form of unincorporated enterprise owned by two or more  
18 persons.

19 "Average annual vehicle fuel tax." The average annual amount  
20 of motor fuels and alternative fuels taxes paid by a  
21 Pennsylvania-registered vehicle.

22 "Average wholesale price." The average wholesale price of  
23 all taxable liquid fuels and fuels, excluding the Federal excise  
24 tax and all [liquid fuels] oil company franchise taxes, shall be  
25 as follows:

26 (1) After December 31, 2013, and before January 1, 2015,  
27 the average wholesale price shall be \$1.87 per gallon.

28 (2) After December 31, 2014, and before January 1, 2017,  
29 the average wholesale price shall be \$2.49 per gallon.

30 (3) After December 31, 2016, the average wholesale price

1 shall be as determined by the Department of Revenue for the  
2 12-month period ending on the September 30 immediately prior  
3 to January 1 of the year for which the rate is to be set. In  
4 no case shall the average wholesale price be less than \$2.99  
5 per gallon.

6 "Blended fuel." A mixture composed of motor fuels or  
7 alternative fuels and another liquid, other than an additive,  
8 that may be used as a motor fuel or alternative fuel in a  
9 highway vehicle.

10 "Blender." A person who produces blended fuel outside the  
11 terminal transfer system.

12 "Blender permit." A class of distributor permit authorizing  
13 the use of motor fuels and alternative fuels upon which the tax  
14 has not been paid for blending.

15 "CAFE standards." The corporate average fuel economy, as  
16 established by the Federal Government.

17 "Cents-per-gallon equivalent basis." The average wholesale  
18 price per gallon multiplied by the decimal equivalent of any tax  
19 imposed by section 9502 (relating to imposition of tax), the  
20 product of which is rounded to the next highest tenth of a cent  
21 per gallon. The rate of tax shall be determined by the  
22 Department of Revenue on an annual basis beginning every January  
23 1 and shall be published as a notice in the Pennsylvania  
24 Bulletin no later than the preceding December 15. In the event  
25 of a change in the rate of tax imposed by section 9502, the  
26 department shall redetermine the rate of tax as of the effective  
27 date of such change and give notice as soon as possible.

28 "Corporation." A corporation or joint stock association  
29 organized under the laws of this Commonwealth, the United States  
30 or any other state, territory or foreign country or dependency.



1 "Dealer." Any person engaged in the retail sale of [liquid  
2 fuels or fuels] motor fuels and alternative fuels.

3 "Department." The Department of Revenue of the Commonwealth.

4 "Diesel fuel." Any liquid, other than liquid fuels, which is  
5 suitable for use as a fuel in a diesel-powered highway vehicle.  
6 The term includes kerosene and biodiesel.

7 "Distributor." Any person that:

8 (1) Produces, refines, prepares, blends, distills,  
9 manufactures or compounds [liquid fuels or fuels] motor fuels  
10 and alternative fuels in this Commonwealth for the person's  
11 use or for sale and delivery in this Commonwealth.

12 (2) Imports or causes to be imported from any other  
13 state or territory of the United States or from a foreign  
14 country [liquid fuels or fuels] motor fuels or alternative  
15 fuels for the person's use in this Commonwealth or for sale  
16 and delivery in and after reaching this Commonwealth, other  
17 than in the original package, receptacle or container.

18 (3) Imports or causes to be imported from any other  
19 state or territory of the United States [liquid fuels or  
20 fuels] motor fuels or alternative fuels for the person's use  
21 in this Commonwealth or for sale and delivery in this  
22 Commonwealth after they have come to rest or storage in the  
23 other state or territory, whether or not in the original  
24 package, receptacle or container.

25 (4) Purchases or receives [liquid fuels or fuels] motor  
26 fuels or alternative fuels in the original package,  
27 receptacle or container in this Commonwealth for the person's  
28 use or for sale and delivery in this Commonwealth from any  
29 person who has imported them from a foreign country.

30 (5) Purchases or receives [liquid fuels or fuels] motor

1 fuels or alternative fuels in the original package,  
2 receptacle or container in this Commonwealth for the person's  
3 use in this Commonwealth or for sale and delivery in this  
4 Commonwealth from any person who has imported them from any  
5 other state or territory of the United States if the [liquid  
6 fuels or fuels] motor fuels or alternative fuels have not,  
7 prior to purchase or receipt, come to rest or storage in this  
8 Commonwealth.

9 (6) Receives and uses or distributes [liquid fuels or  
10 fuels] motor fuels or alternative fuels in this Commonwealth  
11 on which the tax provided for in this chapter has not been  
12 previously paid.

13 (7) Owns or operates aircraft, aircraft engines or  
14 facilities for delivery of [liquid fuels] motor fuels or  
15 alternative fuels to aircraft or aircraft engines and elects,  
16 with the permission of the Secretary of Revenue, to qualify  
17 and obtain a permit as a distributor.

18 (8) Exports [liquid fuels or fuels] motor fuels or  
19 alternative fuels other than in the fuel supply tanks of  
20 motor vehicles.

21 For the purposes of this definition, the term "alternative  
22 fuels" means alternative fuels that will be used to propel a  
23 motor vehicle on the public highways in this Commonwealth.

24 "Dyed diesel fuel." Any liquid, other than liquid fuels,  
25 which is suitable for use as a fuel in a diesel-powered highway  
26 vehicle and which is dyed pursuant to Federal regulations issued  
27 under section 4082 of the Internal Revenue Code of 1986 (Public  
28 Law 99-514, 26 U.S.C. § 4082) or which is a dyed fuel for  
29 purposes of section 6715 of the Internal Revenue Code of 1986  
30 (26 U.S.C. § 6715).

1 "E85." Fuel ethanol conforming to ASTM D5798-11 standards,  
2 as amended, or successor standards.

3 "Electric vehicle." The term includes electric vehicles and  
4 hybrid electric vehicles.

5 "Electric vehicle road fee." The annual fee imposed under  
6 Subchapter C (relating to electric vehicle road fee) in place of  
7 a motor fuel or alternative fuel tax assessed upon electricity  
8 used in highway vehicles.

9 "Exempt entity." A person exempt under section 9004(e)  
10 (relating to imposition of tax, exemptions and deductions) from  
11 reporting and paying a motor fuel or alternative fuel tax.

12 "Export." Accountable [liquid fuels or fuels] motor fuels or  
13 alternative fuels delivered out of State by or for the seller  
14 constitutes an export by the seller. Accountable [liquid fuels  
15 or fuels] motor fuels or alternative fuels delivered out of  
16 State by or for the purchaser constitutes an export by the  
17 purchaser.

18 "Fuels." Includes diesel fuel and all combustible gases and  
19 liquids used for the generation of power in aircraft or aircraft  
20 engines or used in an internal combustion engine for the  
21 generation of power to propel vehicles on the public highways.  
22 The term does not include liquid fuels or dyed diesel fuel.

23 "Gallon equivalent basis." The amount of any alternative  
24 fuel as determined by the department to [contain 114,500 BTU's]  
25 equal the energy content of one gallon of liquid fuels or fuels.  
26 The rate of tax on the amount of each alternative fuel as  
27 determined by the department under the previous sentence shall  
28 be the current [liquid fuels tax and] oil company franchise tax  
29 applicable to one gallon of gasoline.

30 "Gasoline gallon equivalent" or "GGE." The amount of

1 alternative fuel it takes to equal the energy content of one  
2 gallon of gasoline.

3 "Highway." Every way or place open to the use of the public,  
4 as a matter of right, for purposes of vehicular travel.

5 "Import." Accountable [liquid fuels or fuels] motor fuels or  
6 alternative fuels delivered into this Commonwealth from out of  
7 State by or for the seller constitutes an import by the seller.  
8 Accountable [liquid fuels or fuels] motor fuels or alternative  
9 fuels delivered into this Commonwealth from out of State by or  
10 for the purchaser constitutes an import by the purchaser.

11 "Liquid fuels." All products derived from petroleum, natural  
12 gas, coal, coal tar, vegetable ferments and other oils. The term  
13 includes gasoline, naphtha, benzol, benzine or alcohols, either  
14 alone or when blended or compounded, which are practically and  
15 commercially suitable for use in internal combustion engines for  
16 the generation of power or which are prepared, advertised,  
17 offered for sale or sold for use for that purpose. The term does  
18 not include kerosene, fuel oil, gas oil, E85, gasoline-alcohol  
19 mixtures other than E85 containing greater than 85% alcohol by  
20 volume, diesel fuel, tractor fuel by whatever trade name or  
21 technical name known having an initial boiling point of not less  
22 than 200 degrees fahrenheit and of which not more than 95% has  
23 been recovered at 464 degrees fahrenheit (ASTM method D-86),  
24 liquified gases which would not exist as liquids at a  
25 temperature of 60 degrees fahrenheit and pressure of 14.7 pounds  
26 per square inch absolute or naphthas and benzols and solvents  
27 sold for use for industrial purposes.

28 "Magistrate." An officer of the minor judiciary. The term  
29 includes a magisterial district judge.

30 "Major vehicle class." The term includes passenger vehicles,

1 light duty trucks and any other class as defined by the CAFE  
2 standards.

3 "Mass transportation systems." Persons subject to the  
4 jurisdiction of the Pennsylvania Public Utility Commission and  
5 municipality authorities that transport persons on schedule over  
6 fixed routes and derive 90% of their intrastate scheduled  
7 revenue from scheduled operations within the county in which  
8 they have their principal place of business or with contiguous  
9 counties.

10 "Motor fuels." Includes liquid fuels, fuels, aviation  
11 gasoline and jet fuels.

12 "Motor fuels tax." Any of the following taxes imposed under  
13 section 9004 (relating to imposition of tax, exemptions and  
14 deductions):

15 (1) The oil company franchise tax.

16 (2) The aviation gasoline and jet fuel taxes.

17 "Motor fuels and alternative fuels tax exemption  
18 certificate." A certificate issued by the Department of Revenue  
19 to a person requesting exemption from motor fuels taxes or  
20 alternative fuels taxes according to the exemption provisions  
21 under section 9004(e).

22 "Nonpublic schools not operated for profit." A school, other  
23 than a public school, within this Commonwealth wherein a  
24 resident of this Commonwealth may legally fulfill the compulsory  
25 school attendance requirements of the laws of this Commonwealth,  
26 and in the operation of which there is no contribution of  
27 pecuniary gain or profit, no dividends or distribution or income  
28 to its owners, officers or directors and no incidental profits  
29 are distributed to its owner. The term does not include  
30 institutions of higher learning.

1 "Permit." A [liquid fuels permit or a fuels permit] motor  
2 fuels permit or alternative fuels permit. The term includes a  
3 blender permit.

4 "Person." [Every natural person, association or  
5 corporation.] Any individual, firm, cooperative, association,  
6 corporation, limited liability company, trust, business trust,  
7 syndicate, partnership, limited liability partnership, joint  
8 venture, receiver, trustee in bankruptcy, club society, or other  
9 group or combination acting as a unit. The term includes a  
10 public body, including, but not limited to, the Commonwealth,  
11 any other state and an agency, commission, institution,  
12 political subdivision or instrumentality of this Commonwealth or  
13 any other state. Whenever used in any provision prescribing and  
14 imposing a fine or imprisonment, the term as applied to  
15 associations means the partners or members and as applied to  
16 corporations means the officers thereof.

17 "Political subdivision." A county, city, borough,  
18 incorporated town, township, school district, vocational school  
19 district or county institution district. For exemption purposes,  
20 the term includes:

21 (1) Authorities formed under enabling legislation.

22 (2) Instrumentalities or agencies of this Commonwealth,  
23 unless otherwise provided.

24 "Registered distributor." A distributor holding a permit  
25 issued by the Commonwealth under the provisions of this chapter.

26 "Sale" and "sale and delivery." Includes the invoicing or  
27 billing of [liquid fuels or fuels] motor fuels or alternative  
28 fuels free of tax as provided in section 9005 (relating to  
29 taxpayer) from one distributor to another regardless of whether  
30 the purchasing distributor is an accommodation party for

1 purposes of taking title or takes actual physical possession of  
2 the [liquid fuels or fuels] motor fuels or alternative fuels.

3 "Secretary." The Secretary of Revenue of the Commonwealth.

4 "Terminal transfer system." The motor fuels or alternative  
5 fuels distribution systems consisting of refineries, pipelines,  
6 marine vessels and terminals.

7 "Use." Includes any of the following:

8 (1) The importation into this Commonwealth of motor  
9 fuels or alternative fuels for the supply tanks or other  
10 fueling receptacles or devices of a motor vehicle or aircraft  
11 in excess of 50 gallons.

12 (2) The delivery or placing of motor fuels or  
13 alternative fuels into the fuel supply tanks or other fueling  
14 receptacles or devices of an aircraft or aircraft engine or  
15 of a motor vehicle in this Commonwealth for use in a  
16 combustion engine or diesel engine.

17 "Vehicle average miles driven." The average number of miles  
18 driven by a particular vehicle type, as determined by the  
19 Federal Highway Administration.

20 "Volunteer ambulance service." Any nonprofit chartered  
21 corporation, association or organization located in this  
22 Commonwealth which is regularly engaged in the service of  
23 providing emergency medical care and transportation of patients.

24 "Volunteer fire company." Any nonprofit chartered  
25 corporation, association or organization located in this  
26 Commonwealth which provides fire protection services and other  
27 voluntary emergency services within this Commonwealth, which may  
28 include voluntary ambulance services and voluntary rescue  
29 services.

30 "Volunteer rescue service." Any nonprofit chartered

1 corporation, association or organization located in this  
2 Commonwealth which provides rescue services in this  
3 Commonwealth.

4 "Volunteer services." Includes volunteer ambulance services,  
5 volunteer fire companies and volunteer rescue services.

6 Section 9. Chapter 90 of Title 75 is amended by adding a  
7 subchapter heading to read:

8 SUBCHAPTER B

9 MOTOR FUELS AND ALTERNATIVE FUELS TAXES

10 Section 10. Section 9003 heading and subsections (a), (b),  
11 (d) and (g) of Title 75 are amended and the section is amended  
12 by adding subsections to read:

13 § 9003. [Liquid] Motor fuels and alternative fuels permits;  
14 bond or deposit of securities.

15 (a) Permit required; violation.--A distributor may not  
16 engage in the use or sale and delivery of [liquid] motor fuels  
17 within this Commonwealth without a [liquid] motor fuels permit  
18 [or engage in the use or sale and delivery of fuels within this  
19 Commonwealth without a fuels permit] or engage in the use or  
20 sale and delivery of alternative fuels within this Commonwealth  
21 without an alternative fuels permit. Each day in which a  
22 distributor engages in the use or sale and delivery of [liquid]  
23 motor fuels within this Commonwealth without a [liquid] motor  
24 fuels permit [or fuels without a fuels permit] or alternative  
25 fuels without an alternative fuels permit shall constitute a  
26 separate offense. For each such offense, the distributor commits  
27 a misdemeanor of the third degree.

28 (a.1) Special permit for blenders.--Distributors who  
29 purchase any motor fuels or alternative fuels subject to tax  
30 under this chapter for use in the blending of motor fuels or



1 alternative fuels shall obtain a blender permit from the  
2 department. A distributor holding a blender's permit may  
3 purchase motor fuels or alternative fuels tax free from other  
4 distributors holding a permit when the motor fuels or  
5 alternative fuels are purchased for use exclusively in blending.  
6 Blenders shall account separately for all purchases of motor  
7 fuels and alternative fuels used in blending. The department may  
8 prescribe the form of such necessary information.

9 (a.2) Prohibitions.--The following shall apply:

10 (1) A suspended, revoked or canceled permit is not a  
11 valid permit and may not be used to make tax-free sales,  
12 deliveries or purchases of motor fuels or alternative fuels.

13 (2) An exempt entity may not apply for a motor fuels  
14 permit or an alternative fuels permit and may not resell  
15 motor fuels or alternative fuels.

16 (b) Application.--A person desiring to operate as a  
17 registered distributor shall file an application for [a liquid  
18 fuels permit or a fuels permit, or both,] an alternative fuels  
19 permit, a blenders permit or a motor fuels permit with the  
20 department. A distributor may apply for more than one class of  
21 permit. The application for a permit must be made upon a form  
22 prescribed by the department and must set forth the name under  
23 which the applicant transacts or intends to transact business,  
24 the location of the place of business within this Commonwealth  
25 and such other information as the department may require. The  
26 department may, by written notice, require any applicant to  
27 furnish a financial statement in such form as it may prescribe.  
28 The department may charge an administrative application fee for  
29 each permit. If the applicant has or intends to have more than  
30 one place of business within this Commonwealth, the application

1 shall state the location of each place of business. If the  
2 applicant is an association, the application shall set forth the  
3 names and addresses of the persons constituting the association.  
4 If the applicant is a corporation, the application shall set  
5 forth the names and addresses of the principal officers of the  
6 corporation and any other information prescribed by the  
7 department for purposes of identification. The application shall  
8 be signed and verified by oath or affirmation by:

9 (1) the owner, if the applicant is an individual;

10 (2) a member or partner, if the applicant is an  
11 association; or

12 (3) an officer or an individual authorized in a writing  
13 attached to the application, if the applicant is a  
14 corporation.

15 \* \* \*

16 (c.1) Permit class.--The department may establish classes of  
17 distributors. Each class may have special bonding requirements.

18 (d) Surety bond.--A permit shall not be granted until the  
19 applicant has filed with the department a surety bond payable to  
20 the Commonwealth in an amount fixed by the department of at  
21 least \$2,500. Every bond must have as surety an authorized  
22 surety company approved by the department. The bond must state  
23 that the distributor will faithfully comply with the provisions  
24 of this chapter during the effective period of his permit. The  
25 department may require any distributor to furnish such  
26 additional, acceptable corporate surety bond as necessary to  
27 secure at all times the payment to the Commonwealth of all  
28 taxes, penalties and interest due under the provisions of this  
29 chapter and section 9502 (relating to imposition of tax). The  
30 department shall set a distributor's bond amount in a manner

1 sufficient to protect the revenues of the Commonwealth. If a  
2 distributor fails to file the additional bond within ten days  
3 after written notice from the department, the department may  
4 suspend or revoke the permit and collect all taxes, penalties  
5 and interest due. For the purpose of determining whether an  
6 existing bond is sufficient, the department may by written  
7 notice require a distributor to furnish a financial statement in  
8 such form as it may prescribe. Upon failure of any distributor  
9 to furnish a financial statement within 30 days of written  
10 notice, the department may suspend or revoke the permit and  
11 shall collect all taxes, penalties and interest due by him.

12 \* \* \*

13 (g) Interstate or foreign commerce.--Nothing contained in  
14 this chapter shall require the filing of any application or bond  
15 or the possession and display of a [liquid] motor fuels permit  
16 or an alternative fuels permit for the use or sale and delivery  
17 of [liquid] motor fuels or alternative fuels in interstate or  
18 foreign commerce not within the taxing power of the Commonwealth  
19 or for the use of [liquid fuels] motor fuels or alternative  
20 fuels by the Federal Government.

21 \* \* \*

22 (j) Tax compliance.--No distributor may be issued a permit  
23 under this chapter unless the distributor is in full compliance  
24 with all other State taxes administered by the department.

25 Section 11. Section 9004(d), (e), (g) and (h) of Title 75,  
26 amended November 13, 2013 (P.L.974, No.89), are amended and the  
27 section is amended by adding subsections to read:

28 § 9004. Imposition of tax, exemptions and deductions.

29 \* \* \*

30 [(d) Alternative fuels tax.--

1 (1) A tax is hereby imposed upon alternative fuels used  
2 to propel vehicles of any kind or character on the public  
3 highways. The rate of tax applicable to each alternative fuel  
4 shall be computed by the department on a gallon equivalent  
5 basis and shall be published as necessary by notice in the  
6 Pennsylvania Bulletin.

7 (2) The tax imposed in this section upon alternative  
8 fuels shall be reported and paid to the department by each  
9 alternative fuel dealer-user rather than by distributors  
10 under this chapter similar to the manner in which  
11 distributors are required to report and pay the tax on liquid  
12 fuels and fuels, and the licensing and bonding provisions of  
13 this chapter shall be applicable to alternative fuel dealer-  
14 users. The department may permit alternative fuel dealer-  
15 users to report the tax due for reporting periods greater  
16 than one month up to an annual basis provided the tax is  
17 prepaid on the estimated amount of alternative fuel to be  
18 used in such extended period. The bonding requirements may be  
19 waived by the department where the tax has been prepaid.]

20 (d.1) Alternative fuels tax.--

21 (1) The rate of tax applicable to each alternative fuel  
22 subject to tax shall be computed by the department on a  
23 gallon equivalent basis and shall be published as necessary  
24 by notice in the Pennsylvania Bulletin. The tax imposed shall  
25 apply to the entire amount of alternative fuel used or sold  
26 and delivered.

27 (2) The tax shall be imposed upon the sale of previously  
28 untaxed alternative fuels when one of the following occurs:

29 (i) A person places the alternative fuel in the  
30 supply tanks of a vehicle for use in propelling the

1 vehicle on the public highways.

2 (ii) A person elects to pay the tax in advance of  
3 the alternative fuel actually being used to propel a  
4 vehicle on the public highways.

5 (3) A person who uses alternative fuels to propel a  
6 vehicle upon the public highways and upon which the  
7 alternative fuels tax has not been previously paid shall be  
8 liable for the tax on the alternative fuel and shall be  
9 licensed as an alternative fuels distributor by the  
10 department. This paragraph does not apply to an exempt entity  
11 using an alternative fuel in a tax-exempt manner.

12 (4) If a person paid tax on the purchase of alternative  
13 fuels and subsequently used the tax-paid alternative fuel in  
14 a nontaxable manner, the person may be eligible for a refund  
15 of the alternative fuels tax under section 9017 (relating to  
16 refunds) if the exempt use would qualify under the refund  
17 conditions of section 9017.

18 (5) Alternative fuels distributors shall comply with all  
19 provisions of this chapter applying to motor fuels  
20 distributors, except when such provisions are in conflict or  
21 otherwise inconsistent with the specific alternative fuels  
22 distributor provisions of this subsection, in which case the  
23 provisions of this subsection shall control.

24 (e) Exceptions.--The tax imposed under subsections (b), (c)  
25 and (d) shall not apply to [liquid fuels, fuels] motor fuels or  
26 alternative fuels:

27 (1) Delivered to the Federal Government on presentation  
28 of an authorized Federal Government exemption certificate or  
29 other evidence satisfactory to the department.

30 (2) Used or sold and delivered which are not within the

1 taxing power of the Commonwealth under the Commerce Clause of  
2 the Constitution of the United States.

3 (3) Used as fuel in aircraft or aircraft engines, except  
4 for the tax imposed under subsection (c).

5 (4) Delivered to this Commonwealth, a political  
6 subdivision, a volunteer fire company, a volunteer ambulance  
7 service, a volunteer rescue squad, a second class county port  
8 authority or a nonpublic school not operated for profit on  
9 presentation of evidence satisfactory to the department.

10 (5) Used in school buses for the exclusive purpose of  
11 transporting students in grades K through 12 for official  
12 school purposes, subject to all of the following:

13 (i) School districts are exempt from motor fuel and  
14 alternative fuel taxes but may assign that exemption to a  
15 school bus contractor who purchased tax-paid motor fuels  
16 or alternative fuels for exclusive use in school buses  
17 transporting K through 12 school students for official  
18 school purposes. A school bus contractor to which a  
19 school district assigns the exemption shall be eligible  
20 to apply for a refund of motor fuel or alternative fuel  
21 taxes under section 9017(a.1) in the same manner as an  
22 exempt entity.

23 (ii) A school district may apply to the Board of  
24 Finance and Revenue for refunds of taxes paid by the  
25 school district's school bus contractors that purchased  
26 tax-paid motor fuels or alternative fuels for use in  
27 transporting students for official school purposes.

28 (iii) School bus contractors may fuel from a school  
29 district's tax-free bulk storage for the sole purpose of  
30 transporting students under a contract.

1       (6) Sold to a volunteer service, provided that the  
2 volunteer service complies with the following:

3           (i) The motor fuels or alternative fuels shall be  
4 purchased from a registered distributor, and the motor  
5 fuels or alternative fuels shall be placed in bulk  
6 storage facilities on land owned or leased, with full  
7 control thereover, by the volunteer service. The  
8 purchaser shall furnish a motor fuels or alternative  
9 fuels tax exemption certificate issued by the department  
10 to the registered distributor certifying that it is a  
11 volunteer service and the fuel will be used solely for  
12 firefighting, emergency medical or rescue purposes and  
13 only in official equipment owned by the volunteer  
14 service.

15           (ii) If a volunteer service purchases motor fuels or  
16 alternative fuels from a dealer or a nonregistered  
17 Commonwealth distributor and pays the full price for the  
18 fuels, including the tax, and if the volunteer service  
19 uses the motor fuels or alternative fuels solely for  
20 firefighting, emergency medical or rescue purposes and  
21 only in equipment purchased by it, the volunteer service  
22 may request a refund of the tax paid by applying to the  
23 Board of Finance and Revenue on forms supplied by the  
24 Board of Finance and Revenue.

25       (e.1) Use of motor fuels and alternative fuels by exempt  
26 entities.--The following shall apply:

27           (1) An exempt entity may only use motor fuels or  
28 alternative fuels for its official business purposes. The  
29 exempt entity shall keep records of purchases and  
30 disbursements of motor fuels and alternative fuels sufficient

1 to prove the official business use of the motor fuels and  
2 alternative fuels. The recordkeeping must be similar to the  
3 requirements for distributor and dealer recordkeeping under  
4 section 9009 (relating to retention of records by  
5 distributors and dealers).

6 (2) An exempt entity may not resell motor fuels or  
7 alternative fuels.

8 (3) An exempt entity that violates paragraph (1) or (2)  
9 commits a summary offense and may be assessed tax, interest  
10 and penalties due on any motor fuels or alternative fuels  
11 improperly used or resold.

12 \* \* \*

13 (g) Distributors to pay tax.--[Distributors] Motor fuels and  
14 alternative fuels distributors shall be liable to the  
15 Commonwealth for the collection and payment of the tax imposed  
16 by this chapter. The tax imposed by this chapter shall be  
17 collected by the distributor at the time the [liquid fuels and  
18 fuels] motor fuels or alternative fuels are used or sold and  
19 delivered by the distributor and shall be borne by the consumer.

20 (h) Losses to be allowed.--The department shall allow for  
21 handling and storage losses of [liquid fuels and fuels] motor or  
22 alternative fuels that are substantiated to the satisfaction of  
23 the department.

24 (i) Liability for use of dyed diesel fuel.--The following  
25 shall apply to liability for the tax provided under subsection

26 (b):

27 (1) The tax imposed under subsection (b) is imposed on  
28 the delivery or placing of dyed diesel fuel into the fuel  
29 supply tanks or other fueling receptacles or devices of a  
30 motor vehicle in this Commonwealth for prohibited use, in



1 whole or in part, for the generation of power to propel the  
2 motor vehicle on the public highways of this Commonwealth.

3 (2) The following shall apply to parties liable under  
4 this subsection:

5 (i) The person who causes to be operated or the  
6 operator of a highway vehicle into which the dyed diesel  
7 fuel is delivered shall be liable for the tax imposed  
8 under paragraph (1).

9 (ii) The seller of the dyed diesel fuel is jointly  
10 and severally liable for the tax under paragraph (1) if  
11 the seller knows or has reason to know that the dyed  
12 diesel fuel will not be used in a nontaxable use.

13 (3) The exemptions provided under subsection (e) shall  
14 apply to the tax imposed by this subsection.

15 (j) Act of blending not subject to tax.--A distributor  
16 holding a blending permit who blends motor fuels or alternative  
17 fuels shall be exempt from the payment of the tax which would  
18 otherwise be imposed upon any motor fuels or alternative fuels  
19 purchased from registered distributors and used exclusively for  
20 blending. The department shall establish necessary recordkeeping  
21 standards for blenders.

22 (k) Sales without permits.--Sales of motor fuels or  
23 alternative fuels between a registered distributor and any  
24 person not holding a permit of the proper class shall always be  
25 subject to tax, unless the sales are entitled to an exemption  
26 expressly provided for under this chapter or unless the  
27 alternative fuels are not yet subject to the alternative fuels  
28 tax.

29 (l) Exemption certificates.--An exempt entity must provide a  
30 motor fuels or alternative fuels tax exemption certificate

1 prescribed by the department to the registered distributor from  
2 whom the exempt entity plans to purchase tax-free motor fuels or  
3 alternative fuels.

4 (m) Nonpermitted persons acting as permitted distributor.--

5 The following shall apply:

6 (1) Any person not holding a motor fuels permit or  
7 alternative fuels permit that engages in the use or sale and  
8 delivery of motor fuels or alternative fuels upon which the  
9 tax imposed under this chapter has not been previously paid  
10 shall be subject to all recordkeeping, reporting and payment  
11 provisions provided for permitted distributors.

12 (2) Penalties are as follows:

13 (i) A person who does not hold the proper class of  
14 permit to engage in the tax-free use or sale and delivery  
15 of motor fuels or alternative fuels with another  
16 distributor holding the proper class of permit shall pay  
17 a sum equivalent to 10% of the motor fuels tax or  
18 alternative fuels tax that would otherwise be due. This  
19 penalty shall be in addition to any other applicable tax,  
20 interest or penalty provided for under this chapter.

21 (ii) A properly permitted distributor who knowingly  
22 engages in the tax-free use or sale and delivery of motor  
23 fuels or alternative fuels with an improperly permitted  
24 distributor shall also pay a sum equivalent to 10% of the  
25 motor fuels tax or alternative fuels tax that would  
26 otherwise be due. This penalty shall be in addition to  
27 any other applicable tax, interest or penalty provided  
28 for under this chapter.

29 (3) The penalties imposed by this subsection shall not  
30 be considered part of a tax assessment.

1           (4) A nonpermitted distributor shall not be eligible for  
2 any of the discounts provided under section 9006(b) (relating  
3 to distributor's report and payment of tax).

4           Section 12. Section 9005 of Title 75 is amended to read:

5 § 9005. Taxpayer.

6           (a) Duty of distributor.--Every distributor using or  
7 delivering [liquid fuels and fuels] motor fuels or alternative  
8 fuels upon which a tax is imposed by this chapter shall pay the  
9 tax into the State Treasury through the department.

10          (b) Delivery between distributors.--

11           (1) Whenever [liquid fuels and fuels] motor fuels or  
12 alternative fuels are delivered within this Commonwealth by  
13 one distributor to another distributor holding a permit under  
14 this chapter, the distributor receiving the [liquid fuels and  
15 fuels] motor fuels or alternative fuels shall separately  
16 show, in that distributor's monthly reports to the  
17 department, all such deliveries from each distributor and  
18 shall pay the [liquid fuels and fuels] oil company franchise  
19 tax provided for by this chapter upon all such [liquid fuels  
20 and fuels] motor fuels or alternative fuels used or sold and  
21 delivered within this Commonwealth.

22           (2) The distributor making deliveries under paragraph  
23 (1) shall separately show those deliveries in that  
24 distributor's monthly reports to the department and shall  
25 then be exempt from the payment of the tax which would  
26 otherwise be imposed upon the [liquid fuels and fuels] motor  
27 fuels or alternative fuels so delivered. This exemption shall  
28 apply only if both distributors under paragraph (1) hold  
29 valid permits of a class authorizing tax-free use or sale and  
30 delivery of the same specific motor fuels or alternative

1 fuels.

2 (3) The distributor shall furnish to the department such  
3 information concerning such deliveries as the department may  
4 require.

5 (4) The department shall furnish to any distributor,  
6 upon request, a list of distributors holding permits under  
7 this chapter and their addresses.

8 (5) A distributor holding a permit is the only person  
9 entitled to sell motor fuels or alternative fuels tax-free to  
10 another distributor holding a permit.

11 (c) Recovery of tax payment.--Distributors may add the  
12 amount of the tax to the price of [liquid fuels and fuels] motor  
13 fuels or alternative fuels sold by them and shall state the rate  
14 of the tax separately from the price of the [liquid fuels and  
15 fuels] motor fuels or alternative fuels on all price display  
16 signs, sales or delivery slips, bills and statements which  
17 advertise or indicate the price of [liquid fuels and fuels]  
18 motor fuels or alternative fuels.

19 (d) Penalty.--A person who violates this section commits a  
20 summary offense.

21 Section 13. Section 9006(a) and (d) of Title 75 are amended  
22 and the section is amended by adding a subsection to read:

23 § 9006. Distributor's report and payment of tax.

24 (a) Monthly report.--For the purpose of ascertaining the  
25 amount of tax payable under this chapter, the distributor, on or  
26 before the 20th day of each month, shall transmit to the  
27 department on a form prescribed by the department a report,  
28 under oath or affirmation, of the [liquid fuels and fuels] motor  
29 fuels or alternative fuels used or delivered by that distributor  
30 within this Commonwealth during the preceding month. The report

1 shall separately show the number of gallons or GGEs of [liquid  
2 fuels and fuels] motor fuels or alternative fuels used or  
3 delivered within this Commonwealth during the period for which  
4 that report is made and any further information that the  
5 department prescribes. A distributor having more than one place  
6 of business within this Commonwealth shall combine in each  
7 report the use or delivery of [liquid fuels and fuels] motor  
8 fuels or alternative fuels at all such separate places of  
9 business.

10 \* \* \*

11 (d) Additional penalty.--If a distributor neglects or  
12 refuses to make any report [and] or payment as required, an  
13 additional 10% of the amount of the tax due or \$50, whichever is  
14 greater, shall be added by the department and collected as  
15 provided. In addition to the added penalty, the permit of the  
16 distributor may be suspended or revoked by the department.

17 (e) Method of filing and timeliness.--The following shall  
18 apply:

19 (1) Unless specifically otherwise provided for by law,  
20 all reports, payments and petitions must be filed  
21 electronically with the department. Upon receipt of an  
22 electronic filing by the department, the filing is deemed to  
23 have occurred on the specific date and time indicated by the  
24 computers or systems of the department.

25 (2) The following exceptions shall apply:

26 (i) Electronic payment is not required for any  
27 payment amount less than the current minimum amount  
28 specified in sections 9 and 10 of the act of April 9,  
29 1929 (P.L.343, No.176), known as The Fiscal Code.

30 (ii) A distributor also may be excused from

1 electronic filing that is otherwise required by law upon  
2 presentation to the department of evidence of hardship in  
3 filing electronically. The evidence must be provided to  
4 and accepted by the department prior to the due date for  
5 the report, payment or petition.

6 (iii) Electronic filing may not be accepted by the  
7 department for certain required filings under this  
8 chapter where the department does not have the technical  
9 capability to process such an electronic filing, or where  
10 such filing requirements conflict with the provisions of  
11 any interstate compacts that are binding upon the  
12 Commonwealth.

13 (3) Whenever a report, payment or petition is required  
14 by law to be filed with the department by the United States  
15 Postal Service, the following apply:

16 (i) If the report, payment or petition must be  
17 received by the department on or before a day certain,  
18 the taxpayer shall be deemed to have complied with the  
19 law if the correctly addressed envelope transmitting the  
20 report, payment or petition received by the department is  
21 postmarked by the United States Postal Service on or  
22 prior to the final day on which the report, payment or  
23 petition is required to be received.

24 (ii) For purposes of this paragraph, presentation of  
25 a receipt from the United States Postal Service  
26 indicating that the correctly addressed envelope  
27 transmitting the report, payment or petition received by  
28 the department was mailed on or before the due date shall  
29 be evidence of timely filing and payment.

30 (iii) This paragraph shall not apply to any report,

1 payment or petition that is required by law to be  
2 delivered by any method other than mailing.

3 (4) To be considered timely, both a report and any  
4 payment due, if applicable, including any interest or  
5 penalty, must be filed before the due date.

6 Section 14. Sections 9007(d), 9008 and 9009 of Title 75 are  
7 amended to read:

8 § 9007. Determination and redetermination of tax, penalties and  
9 interest due.

10 \* \* \*

11 (d) Sanctions.--If a distributor neglects or refuses to make  
12 a report [and] or payment of tax required by this chapter, the  
13 department shall estimate the tax due by such distributor and  
14 determine the amount due for taxes, penalties and interest.

15 There shall be no right of review or appeal from this  
16 determination. Upon neglect or refusal, permits issued to the  
17 distributor may be suspended or revoked by the department and  
18 required to be surrendered to the department.

19 § 9008. Examination of records and equipment.

20 (a) General rule.--The department or any agent appointed in  
21 writing by the department is authorized to examine the books,  
22 papers, records, meters, storage tanks and contents, and any  
23 other equipment of any distributor, dealer or any other person  
24 pertaining to the use or sale and delivery of [liquid fuels and  
25 fuels] motor fuels or alternative fuels taxable under this  
26 chapter to verify the accuracy of any report or payment made  
27 under the provisions of this chapter or to ascertain whether or  
28 not the tax imposed by this chapter has been paid. Any  
29 information gained by the department as the result of the  
30 reports, investigations or verifications required to be made

1 shall be confidential.

2 (b) Penalty.--A person divulging confidential information  
3 under subsection (a) commits a misdemeanor of the third degree.

4 (c) Consumer protection.--Notwithstanding subsection (a) or  
5 (b) or section 731 of the act of April 9, 1929 (P.L.343,  
6 No.176), known as The Fiscal Code, any incorrect motor fuel or  
7 alternative fuel composition information, including octane  
8 values, discovered by the department upon examination of storage  
9 tank contents or related records may be disclosed to the Office  
10 of Attorney General for investigation.

11 (d) Public safety.--Notwithstanding subsection (a) or (b) or  
12 section 731 of The Fiscal Code, any suspected violation that  
13 could pose a threat to public safety discovered by the  
14 department during an examination authorized by this section may  
15 be disclosed to the appropriate enforcement authority for  
16 investigation.

17 § 9009. Retention of records by distributors and dealers.

18 (a) Record retention period.--

19 (1) The distributor and dealer shall maintain and keep  
20 for a period [of two years] consisting of the current  
21 calendar year plus the previous two years, a record of  
22 [liquid fuels and fuels] motor fuels and alternative fuels  
23 used or sold and delivered within this Commonwealth by the  
24 distributor, together with invoices, bills of lading and  
25 other pertinent papers as required by the department. The  
26 amount of tax imposed on each sale of motor fuels or  
27 alternative fuels shall be stated separately.

28 (2) A person purchasing [liquid fuels and fuels] motor  
29 fuels or alternative fuels taxable under this chapter from a  
30 distributor for the purpose of resale shall maintain for a



1 period [of two years] consisting of the current calendar year  
2 plus the previous two years, a record of liquid fuels and  
3 fuels received, the amount of tax paid to the distributor as  
4 part of the purchase price, delivery tickets, invoices and  
5 bills of lading and such other records as the department  
6 requires.

7 (3) Additional records include:

8 (i) A distributor shall keep a record showing the  
9 number of gallons, GGEs or standard cubic feet of:

10 (A) all [diesel fuel] motor fuel and alternative  
11 fuel inventories on hand at the first of each month;

12 (B) all [diesel fuel] motor fuel and alternative  
13 fuel refined, compounded or blended;

14 (C) all [diesel fuel] motor fuel and alternative  
15 fuel purchased or received, showing the name of the  
16 seller and the date of each purchase or receipt;

17 (D) all [diesel fuel] motor fuel and alternative  
18 fuel sold, distributed or used, showing the name of  
19 the purchaser and the date of sale, distribution or  
20 use; and

21 (E) all [diesel fuel] motor fuel and alternative  
22 fuel lost by fire or other accident.

23 (i.1) A distributor shall keep a record showing the  
24 octane value of each motor fuel and alternative fuel  
25 purchased, sold or blended.

26 (ii) A dealer shall keep a record showing the number  
27 of gallons, GGEs or standard cubic feet of:

28 (A) all [diesel fuel] motor fuel and alternative  
29 fuel inventories on hand at the first of each month;

30 (B) all [diesel fuel] motor fuel and alternative

1           fuel purchased or received, showing the name of the  
2           seller, the date of each purchase or receipt;

3           (C) all [diesel fuel] motor fuel and alternative  
4           fuel sold, distributed or used; and

5           (D) all [diesel fuel] motor fuel and alternative  
6           fuel lost by fire or other accident.

7           (iii) A dealer shall keep a record showing the  
8           octane value of each motor fuel and alternative fuel  
9           purchased, sold or blended.

10          (a.1) Maintenance of recordkeeping equipment.--Distributors  
11          and dealers are responsible for ensuring that all measuring  
12          equipment used for recordkeeping, including, but not limited to,  
13          meters, gauges and electronic sensors, are maintained in good  
14          working order so that the department, upon inspection of records  
15          and equipment provided for in this chapter, is able to determine  
16          the proper tax that the distributor or dealer should have  
17          reported or paid to the Commonwealth.

18          (b) Penalty.--Any person violating any of the provisions of  
19          this section commits a [misdemeanor of the third degree] summary  
20          offense.

21          Section 15. Section 9011 of Title 75 is amended by adding a  
22          subsection to read:

23          § 9011. Discontinuance or transfer of business.

24           \* \* \*

25          (b.1) New permit prohibited.--Any person who participated as  
26          an owner or officer of a distributor required to provide notice  
27          under subsection (a) may be prohibited from applying for a new  
28          permit until the underlying liabilities to the Commonwealth from  
29          the discontinued or transferred distributor are satisfied.

30          Section 16. Section 9012(a) Title 75 is amended and the

1 section is amended by adding a subsection to read:

2 § 9012. Suspension or revocation of permits.

3 (a) Notice and hearings.--If the department finds that the  
4 holder of a permit has failed to comply with the provisions of  
5 this chapter, the department shall notify the permit holder and  
6 afford the permit holder a hearing on [five] seven days' written  
7 notice. A hearing will be scheduled by the department only upon  
8 request by the permit holder.

9 \* \* \*

10 (b.1) Immediate suspension or revocation.--Notwithstanding  
11 subsection (a), the department may immediately suspend or revoke  
12 a permit for failure to timely report or pay any tax due under  
13 section 9006 (relating to distributor's report and payment of  
14 tax).

15 (b.2) Demand on surety bond.--Notwithstanding subsection  
16 (a), the department may make demand upon a registered  
17 distributor's surety bond where the distributor has failed to  
18 timely report or pay any tax due under section 9006.

19 \* \* \*

20 Section 17. Sections 9013, 9015 and 9016 of Title 75 are  
21 amended to read:

22 § 9013. Lien of taxes, penalties and interest.

23 [(a) General rule.--]All unpaid taxes imposed by this  
24 chapter and section 9502 (relating to imposition of tax) and  
25 penalties and interest due shall be a lien [upon the franchises  
26 and property of the taxpayer after the lien has been entered and  
27 docketed of record by the prothonotary or similar officer of the  
28 county where the property is situated], as provided in Article  
29 XIV of the act of April 9, 1929 (P.L.343, No.176), known as The  
30 Fiscal Code.

1        [(b) Priority of lien.--The lien under subsection (a) shall  
2 have priority from the date of its entry of record and shall be  
3 fully paid and satisfied out of the proceeds of a judicial sale  
4 of property subject to the lien before any other obligation,  
5 judgment, claim, lien or estate to which the property may  
6 subsequently become subject, except costs of the sale and of the  
7 writ upon which the sale was made and real estate taxes and  
8 municipal claims against the property. The lien under subsection  
9 (a) shall be subordinate to mortgages and other liens existing  
10 and recorded or entered of record prior to the recording of the  
11 tax lien.

12        (c) Discharge of lien.--In the case of a judicial sale of  
13 property subject to a lien imposed under this section, the sale  
14 shall discharge the lien imposed under this section to the  
15 extent only that the proceeds are applied to its payment, and  
16 the lien shall continue in full force and effect as to the  
17 balance remaining unpaid.

18        (d) Procedure.--

19            (1) Statements of all taxes imposed under this chapter  
20 and section 9502, together with penalties and interest,  
21 certified by the secretary, may be transmitted to the  
22 prothonotaries or similar officers of the respective counties  
23 of this Commonwealth to be entered of record and indexed as  
24 judgments are now indexed.

25            (2) A writ of execution may directly issue upon the lien  
26 without the issuance and prosecution to judgment of a writ of  
27 scire facias.

28            (3) Not less than ten days before issuance of execution  
29 on a lien, notice of the filing and the effect of the lien  
30 shall be sent by registered mail to the taxpayer at the

1 taxpayer's last known post office address.

2 (4) A prothonotary or similar officer may not require,  
3 as a condition precedent to the entry of a lien under this  
4 section, the payment of costs incident to entry of the lien.

5 (5) A lien under this section shall continue for five  
6 years from the date of entry and may be revived and continued  
7 under the act of April 9, 1929 (P.L.343, No.176), known as  
8 The Fiscal Code.

9 (e) Statement to department.--A sheriff, receiver, trustee,  
10 assignee, master or other officer may not sell the property or  
11 franchises of a distributor without first filing with the  
12 department a statement containing all of the following  
13 information:

14 (1) Name or names of the plaintiff or party at whose  
15 instance or upon whose account the sale is made.

16 (2) Name of the person whose property or franchise is to  
17 be sold.

18 (3) The time and place of sale.

19 (4) The nature and location of the property.

20 (f) Notice concerning lien.--The department, after receiving  
21 notice under subsection (e), shall furnish to the sheriff,  
22 receiver, trustee, assignee, master or other officer having  
23 charge of the sale a certified copy or copies of all liquid  
24 fuels tax, fuels tax and oil company franchise tax penalties and  
25 interest on file in the department as liens against the person  
26 or, if there are no such liens, a certificate showing that fact.  
27 The certified copy or copies or certificate shall be publicly  
28 read by the officer in charge of the sale at and immediately  
29 before the sale of the property or franchise of the person.

30 (g) Lien certificate.--The department shall furnish to a

1 person making application, upon payment of the prescribed fee, a  
2 certificate showing the amount of all liens for liquid fuels  
3 tax, fuels tax or oil company franchise tax, penalties and  
4 interest under the provisions of this chapter on record in the  
5 department against any person.]

6 § 9015. [Reports from common carriers.

7 (a) Duty.--A person transporting liquid fuels either in  
8 interstate or intrastate commerce to a point within this  
9 Commonwealth from a point within or without this Commonwealth  
10 shall report under oath or affirmation to the department on or  
11 before the last day of each month for the preceding month all  
12 deliveries of liquid fuels made to points within this  
13 Commonwealth.

14 (b) Forms.--The report shall be on a form prescribed by the  
15 department and shall state the names and addresses of the  
16 consignor and consignee, the number of gallons of liquid fuels  
17 transported and any other information which the department may  
18 require.

19 (c) Penalty.--Any person violating any of the provisions of  
20 this section commits a misdemeanor of the third degree.]

21 (Reserved).

22 § 9016. [Reward for detection of violations.

23 The secretary is authorized to pay a reward, out of money  
24 appropriated from the Motor License Fund for the purpose, to any  
25 person, other than a State officer or employee, who reports a  
26 distributor who has failed to file the reports required and pay  
27 the tax imposed by this chapter. The reward shall be in an  
28 amount the secretary deems proper, not exceeding 10% of the  
29 amount of the tax, penalty and interest due. A reward shall not  
30 be paid unless collection of the delinquent tax has been made or

1 the distributor has been convicted for violating this chapter.]

2 (Reserved).

3 Section 18. Section 9017(a), (a.1), (b), (e.1), (e.2) and  
4 (f) of Title 75 are amended and the section is amended by adding  
5 subsections to read:

6 § 9017. Refunds.

7 (a) Department [of Revenue].--Except as provided in  
8 subsection (a.1), the [Department of Revenue] department may  
9 refund taxes, penalties, interest, fines, additions and other  
10 money collected pursuant to this chapter in accordance with  
11 section 3003.1 of the act of March 4, 1971 (P.L.6, No.2), known  
12 as the Tax Reform Code of 1971.

13 (a.1) Board of Finance and Revenue.--The Board of Finance  
14 and Revenue may make reimbursements and refunds of tax imposed  
15 and collected upon motor fuels and alternative fuels, liquid  
16 fuels or fuels as provided under subsections (b), (c) or (e). In  
17 addition, the board may refund on an annual basis any tax  
18 imposed by this chapter and collected by the department upon  
19 motor fuels and alternative fuels, liquid fuels or fuels  
20 delivered to any entity exempt from tax under section 9004(e)  
21 (relating to imposition of tax, exemptions and deductions) which  
22 has not been claimed as exempt by the distributor or otherwise  
23 refunded. The board may adopt regulations relating to procedures  
24 for the administration of its duties under this subsection.

25 (a.2) Assignment.--An exempt entity may assign its right to  
26 a refund of tax-paid motor fuels or tax-paid alternative fuels  
27 only as follows:

28 (1) To a school bus subcontractor using such motor fuels  
29 or alternative fuels in a tax-exempt manner and on behalf of  
30 the school district.

1           (2) To a distributor who sold the exempt entity tax-paid  
2           fuel for the exempt entity's own exempt use of such fuels.

3           (a.3) Invalid assignment.--Any assignment of rights to a  
4           refund not in accordance with (a.2) shall be an invalid  
5           assignment of rights for refund purposes.

6           (b) Farm tractors and volunteer fire rescue and ambulance  
7 services.--A person shall be reimbursed the full amount of the  
8 tax imposed by this chapter if the person uses or buys [liquid  
9 fuels or] motor fuels or alternative fuels on which the tax  
10 imposed by this chapter has been paid and consumes them:

11           (1) in the operation of any nonlicensed farm tractor or  
12 licensed farm tractor when used off the highways for  
13 agricultural purposes relating to the actual production of  
14 farm products; or

15           (2) in the operation of a vehicle of a volunteer fire  
16 company, volunteer ambulance service or volunteer rescue  
17 squad.

18           \* \* \*

19           (e.1) Truck refrigeration units.--

20           (1) A program shall be implemented to provide  
21 reimbursement for tax paid on undyed diesel fuel or  
22 alternative fuel used in truck refrigeration units.

23           (2) A person shall be reimbursed the amount of tax paid  
24 pursuant to section 9004 on any purchase of undyed diesel  
25 fuel or alternative fuel which is not more than [75] 100  
26 gallons or GGEs per purchase and is delivered into a fuel  
27 tank which is designed to supply only an internal combustion  
28 engine mounted on a registered vehicle used exclusively for  
29 truck refrigeration.

30           (3) For the period of October 1, 1997, through September



1 30, 1998, claims for reimbursement of taxes paid shall be  
2 filed by March 1, 1999, with the [Department of Revenue]  
3 department. For the period of October 1, 1998, through  
4 September 30, 1999, claims for reimbursement under this  
5 subsection shall be filed by October 31, 1999, with the  
6 department. For the period from October 1, 1999, through  
7 September 30, 2000, inclusive, claims for reimbursement under  
8 this subsection shall be filed with the department by October  
9 31, 2000. For the quarter beginning October 1, 2000, and each  
10 quarter thereafter, claims for reimbursement shall be filed  
11 with the department on a quarterly basis and must be filed  
12 within 60 days following the end of the quarter for which  
13 reimbursement is being claimed.

14 (4) The department may require a claimant to satisfy any  
15 sales or use tax liability on the undyed diesel fuel or  
16 alternative fuels for which the reimbursement is claimed.

17 (5) A claim for reimbursement must be supported by sales  
18 receipts with the word "reefer" noted on the claim and the  
19 date of purchase, seller's name and address, number of  
20 gallons or GGEs purchased, fuel type, price per gallon or GGE  
21 or total amount of sale, unit numbers and the purchaser's  
22 name. The department may specify other documentation which it  
23 will accept in lieu of sales receipts. In the case of  
24 withdrawals from claimant-owned tax-paid bulk storage, the  
25 claim must be supported by detailed records of the date of  
26 withdrawal, number of gallons, or GGEs, fuel type, unit  
27 number and purchase and inventory records to substantiate  
28 that the tax was paid on all bulk purchases. Notwithstanding  
29 the provisions of section 9009 (relating to retention of  
30 records by distributors and dealers), all required

1 documentation shall be retained for a period of three years  
2 following the filing date of the claim for reimbursement  
3 under this subsection. If the claimant fails to retain  
4 documentation as required by this paragraph, the department  
5 may deny the reimbursement or issue an assessment for any  
6 refund granted plus interest under section 9007 (relating to  
7 determination and redetermination of tax, penalties and  
8 interest due).

9 (e.2) Agricultural power takeoff.--A person shall be  
10 reimbursed the full amount of the tax imposed by this chapter if  
11 the person uses or buys [liquid fuels or fuels] motor fuels or  
12 alternative fuels on which the tax imposed by this chapter has  
13 been paid and consumes them to load for delivery or to unload at  
14 a farm feed, feed products, lime or limestone products for  
15 agricultural use from a vehicle by means of a power takeoff,  
16 provided the fuel usage is documented only by an electronic  
17 monitoring device used in conjunction with an electronically  
18 controlled engine. Reimbursements shall be documented only as  
19 provided in this subsection, and no reimbursement shall be based  
20 upon any form of alternative documentation. Claims for  
21 reimbursement shall be filed with the department on a quarterly  
22 basis and must be filed within 60 days following the end of the  
23 quarter for which reimbursement is being claimed. The provisions  
24 of subsection (f) except for the filing fee provision shall  
25 apply to claims for reimbursement under this subsection to the  
26 extent they are not inconsistent with this subsection.

27 (f) Claims, forms, contents, penalties.--

28 (1) A claim for reimbursement or refund under subsection  
29 (b), (c) or (e) shall be made upon a form to be furnished by  
30 the board and must include, in addition to such other

1 information as the board may by regulation prescribe, the  
2 name and address of the claimant; the period of time and the  
3 number of gallons [of liquid fuels] or GGEs of motor fuels or  
4 alternative fuels used for which reimbursement is claimed; a  
5 description of the farm machinery, aircraft or aircraft  
6 engine in which [liquid fuels] motor fuels or alternative  
7 fuels have been used; the purposes for which the machinery,  
8 aircraft or aircraft engine has been used; and the size of  
9 the farm and part in cultivation on which such [liquid] motor  
10 fuels and alternative fuels have been used.

11 (2) A claim must contain statements that the [liquid  
12 fuels] motor fuels or alternative fuels for which  
13 reimbursement is claimed have been used only for purposes for  
14 which reimbursements are permitted; that records of the  
15 amounts of such fuels used in each piece of farm machinery,  
16 aircraft or aircraft engine have been kept; and that no part  
17 of the claim has been paid except as stated. A claim must  
18 contain a declaration that it and accompanying receipts are  
19 true and correct to the best of the claimant's knowledge and  
20 must be signed by the claimant or the person claiming on the  
21 claimant's behalf. A claim must be accompanied by receipts  
22 indicating that the [liquid fuels] motor fuels or alternative  
23 fuels tax was paid on the [liquid fuels] motor fuels or  
24 alternative fuels or that the excess [liquid fuels] motor  
25 fuels or alternative fuels tax was paid on the [liquid fuels]  
26 motor fuels or alternative fuels for which reimbursement is  
27 claimed. Records of purchases of [liquid fuels] motor fuels  
28 or alternative fuels and use in each tractor or powered  
29 machinery, aircraft or aircraft engine shall be kept for a  
30 period [of two years] consisting of the current year plus two

1 previous years. A claim must be made annually for the  
2 preceding year ending on June 30. A claim must be submitted  
3 to the board by September 30.

4 (3) The board shall refuse to consider any claim  
5 received or postmarked later than that date. The claimant  
6 must satisfy the board that the tax has been paid and that  
7 the [liquid fuels] motor fuels or alternative fuels have been  
8 consumed by the claimant for purposes for which  
9 reimbursements are permitted under this section. The action  
10 of the board in granting or refusing reimbursement shall be  
11 final. The board shall deduct the sum of \$1.50, which shall  
12 be considered a filing fee, from every claim for  
13 reimbursement granted. Filing fees are specifically  
14 appropriated to the board and to the department for expenses  
15 incurred in the administration of the reimbursement  
16 provisions of this chapter. The board has the power to refer  
17 to the department for investigation any claim for  
18 reimbursement filed under the provisions of this chapter.

19 (4) The department shall investigate the application and  
20 report to the board.

21 (5) A person making any false or fraudulent statement  
22 for the purpose of obtaining reimbursement commits a  
23 misdemeanor of the third degree.

24 \* \* \*

25 Section 19. Sections 9018(a) and (c), 9019 heading and  
26 subsections (a), (c), (d) and (g) and 9022 of Title 75 are  
27 amended to read:

28 § 9018. Violations.

29 (a) Failure to report and pay; examinations; unlawful  
30 acts.--

1 (1) A person commits [a misdemeanor of the third degree]  
2 a summary offense if the person does any of the following:

3 (i) Fails, neglects or refuses to make the report  
4 and pay the tax, penalties and interest imposed by this  
5 chapter.

6 (ii) Refuses to permit the department or any agent  
7 appointed by it in writing to examine books, records,  
8 meters, papers, storage tanks and contents or other  
9 equipment pertaining to the use or sale and delivery of  
10 [liquid] motor fuels or alternative fuels within this  
11 Commonwealth.

12 (iii) [Makes any incomplete, false or fraudulent  
13 report or claim.] Willfully and knowingly makes,  
14 publishes, delivers or utters a false statement orally,  
15 or in writing, or in the form of a receipt for the sale  
16 of motor fuels and alternative fuels, for the purpose of  
17 obtaining or attempting to obtain, or to assist any  
18 person to obtain or attempt to obtain, a credit or refund  
19 or reduction of liability for taxes under this chapter.

20 (iv) Attempts to do anything to avoid a full  
21 disclosure of the amount of [liquid fuels] motor fuels or  
22 alternative fuels used or sold and delivered or to avoid  
23 the payment of the tax, penalties and interest due.

24 (2) [Any] Notwithstanding paragraph (1), any partner or  
25 member of an association and any officer of a corporation  
26 whose duty it was to make the report required by this chapter  
27 [shall be subject to imprisonment under paragraph (1)]  
28 commits a misdemeanor of the third degree for failing to make  
29 the report required and attend to the payment of the tax  
30 imposed by this chapter and may be subject to imprisonment.

1 (3) The fine under paragraph (1) [shall] or (2) may be  
2 in addition to any penalty imposed by any other [section or  
3 subsection] provision of this chapter.

4 (4) Upon conviction under paragraph [(1)] (2), all of  
5 the convicted distributor's permits shall be revoked.

6 \* \* \*

7 (c) Penalty.--A person who violates any of the provisions of  
8 [this section] subsection (b) commits a misdemeanor of the third  
9 degree. The fine [shall] may be in addition to any penalty  
10 imposed by any other [section or subsection] provision of this  
11 chapter. Upon conviction under subsection (b), all of the  
12 convicted person's permits shall be revoked.

13 § 9019. [Diesel] Motor fuel importers and transporters;  
14 prohibiting use of dyed diesel fuel on highways;  
15 violations and penalties.

16 (a) [Diesel] Motor fuel transporters.--

17 (1) A person must obtain a [diesel] motor fuel  
18 transporter's permit in order to import, export or transport  
19 within this Commonwealth [diesel] motor fuel, other than dyed  
20 diesel fuel, via a pipeline or by means of a tank-truck  
21 vehicle, railroad tank car or vessel with a capacity of 2,000  
22 gallons or more. The permit application must be filed with  
23 the department upon a form prescribed by the department.

24 (2) A [fee of \$5] per vehicle fee shall be charged by  
25 the department for the issuance of a transporter's permit.

26 (3) Every person required to obtain a permit under  
27 paragraph (1) shall report under oath or affirmation to the  
28 department on or before the last day of each month for the  
29 preceding month all deliveries of [diesel] motor fuel, other  
30 than dyed diesel fuel[, ] and retail deliveries of kerosene in

1 quantities of less than 300 gallons per delivery to any point  
2 within this Commonwealth, including any interstate or  
3 intrastate movements of [diesel] motor fuel and any exports.  
4 The form shall be prescribed by the department and may  
5 require any of the following:

6 (i) The names and addresses of the cosigner and  
7 cosignee, the seller or other party from whom the  
8 [diesel] motor fuel was received, the buyer or other  
9 party to whom the [diesel] motor fuel was delivered and  
10 points to and from which the [diesel] motor fuel was  
11 shipped or delivered.

12 (ii) The method of shipment or delivery.

13 (iii) The number of gallons.

14 (4) All shipments of [diesel] motor fuel, including dyed  
15 diesel fuel, shall be accompanied by sales delivery tickets  
16 or bills of lading. Shipments for which the required  
17 documentation does not accompany the shipment or for which  
18 the notice required with respect to dyed diesel fuel does not  
19 comply with the requirements of subsection (b) shall be  
20 presumed to not be shipments of dyed diesel fuel.

21 (5) A transporter report must be electronically filed in  
22 accordance with the methods of filing prescribed for  
23 distributors under section 9006(e) (relating to distributor's  
24 report and payment of tax).

25 (6) A transporter holding a distributor permit is not  
26 required to file a transporter report but must possess a  
27 transporter permit under this section.

28 \* \* \*

29 (c) Dyed diesel fuel not to be used on public highways.--

30 (1) A person may not operate a motor vehicle on the

1 public highways of this Commonwealth if the fuel supply tanks  
2 of the vehicle contain dyed diesel fuel unless permitted to  
3 do so under a Federal law or regulation relating to the use  
4 of dyed diesel fuel on the highways.

5 (2) A person may not sell or deliver any dyed diesel  
6 fuel knowing or having reason to know that the fuel will be  
7 consumed in a highway use. A person who dispenses dyed diesel  
8 fuel from a retail pump that is not properly labeled with the  
9 notice required by subsection (b) or who knowingly delivers  
10 dyed diesel fuel into the storage tank of such a pump shall  
11 be presumed to know the fuel will be consumed on the highway.

12 (3) There is a rebuttable presumption that a vehicle  
13 registered for use on the public highways has recently been  
14 and soon will be used on the public highways.

15 (4) Notwithstanding paragraph (1) or (2), dyed diesel  
16 fuel may be used in a school bus, provided the bus is used  
17 exclusively for the transportation of school district  
18 students in grades K through 12, provided the usage does not  
19 conflict with the exemptions provided in section 4082 of the  
20 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §  
21 4082).

22 (d) Violations.--A person may not do any of the following:

23 (1) Import, export or transport within this Commonwealth  
24 [diesel] motor fuel, other than dyed diesel fuel, without the  
25 permit required under subsection (a) (1).

26 (2) Transport [diesel] motor fuel in this Commonwealth  
27 without the permit required under subsection (a) (1).

28 (3) Operate a motor vehicle on the public highways of  
29 this Commonwealth with dyed diesel fuel in the fuel supply  
30 tank except as provided in subsection (c) (1).



1           (4) Sell or deliver dyed diesel fuel from a retail pump  
2 unless the pump is properly labeled as required under  
3 subsection (b).

4           (5) Sell or deliver any dyed diesel fuel knowing or  
5 having reason to know that the fuel will be consumed in a  
6 highway use under subsection (c)(2).

7           (6) Fail to report the deliveries under subsection (a)  
8 (3) using forms prescribed by the department.

9 \* \* \*

10 (g) Enforcement.--

11           (1) Any revenue enforcement agent or other person  
12 authorized by the department may enter any place where motor  
13 fuels are produced or stored and may physically inspect any  
14 tank, reservoir or other container that can be used for the  
15 production, storage or transportation of [diesel] motor fuel,  
16 diesel fuel dyes or diesel fuel markers. Inspection may also  
17 be made of any equipment used for or in connection with the  
18 production, storage or transportation of diesel fuel, diesel  
19 fuel dyes or diesel fuel markers. This includes any equipment  
20 used for the dyeing or marking of diesel fuel. Books, records  
21 and other documents may be inspected to determine tax  
22 liability. An agent may detain a vehicle, vessel or railroad  
23 tank car placed on a customer's siding for use or storage for  
24 the purpose of inspecting fuel tanks or fuel storage tanks as  
25 necessary to determine the amount and composition of the  
26 fuel. An agent may take and remove samples of [diesel] motor  
27 fuel in reasonable quantities necessary to determine the  
28 composition of the fuel.

29           (2) A person that refuses to allow an inspection as  
30 provided in this subsection commits a summary offense and

1 shall, upon conviction, be sentenced to pay a fine of not  
2 less than \$1,000 nor more than \$2,000 for each refusal.

3 § 9022. Uncollectible [checks] payments.

4 If a check issued in payment of tax, penalty or interest  
5 imposed by this chapter is returned to the department as  
6 uncollectible, the department shall [charge a fee of \$5 per  
7 hundred dollars or fractional part thereof, plus all protest  
8 fees, to the person presenting the check to the department.]  
9 apply section 3003.9 of the act of March 4, 1971 (P.L.6, No.2),  
10 known as the Tax Reform Code of 1971.

11 Section 20. Title 75 is amended by adding a section to read:  
12 § 9024. Emergency assistance in timely manner.

13 (a) Within this Commonwealth.--Upon the Governor's  
14 declaration of a state of emergency in this Commonwealth, the  
15 Secretary of Revenue may waive, suspend or otherwise modify any  
16 provisions of this chapter for the sole purpose of enabling  
17 motor carriers to respond to emergency conditions and conduct  
18 emergency relief efforts in a timely manner. Such waivers,  
19 suspensions or modifications shall be effective for a specific  
20 period of time as determined by the Secretary of Revenue and  
21 shall not exceed the termination of the state of emergency  
22 declared by the Governor.

23 (b) Outside this Commonwealth.--The Secretary of Revenue,  
24 with prior authorization from the Governor, may waive, suspend  
25 or otherwise modify any provisions of this chapter on a  
26 temporary and definite basis in order to facilitate the timely  
27 movement of vehicles or fuel from and through this Commonwealth  
28 to other jurisdictions requesting emergency assistance from this  
29 Commonwealth.

30 (c) Recordkeeping.--Notwithstanding subsections (a) and (b),

1 each distributor, exempt entity or other person who buys, sells  
2 or uses motor fuels or alternative fuels pursuant to the terms  
3 of an emergency declaration shall maintain records to  
4 substantiate participation in the emergency relief efforts. Any  
5 vehicle, other than a qualified motor vehicle as defined under  
6 section 2101.1 (relating to definitions) or a vehicle operated  
7 by an exempt entity traveling on the public highways of this  
8 Commonwealth during the emergency period under subsection (a) or  
9 (b) shall maintain records of purchases of tax-exempt fuel.

10 (d) Taxes not waived.--Unless specifically suspended by the  
11 Secretary of Revenue, motor fuels and alternative fuel taxes  
12 imposed under section 9004 (relating to imposition of tax,  
13 exemptions and deductions) shall not be waived for an emergency  
14 period under subsection (a) or (b).

15 Section 21. Chapter 90 of Title 75 is amended by adding a  
16 subchapter to read:

17 SUBCHAPTER C

18 ELECTRIC VEHICLE ROAD FEE

19 Sec.

20 9031. Short title of subchapter.

21 9032. Road use fee imposed on electric vehicles.

22 9033. Electricity used in electric motor.

23 9034. Fees for highway maintenance and construction.

24 9035. Exempt entities.

25 9036. Refunds.

26 9037. Motor carriers road tax and the International Fuel Tax  
27 Agreement.

28 § 9031. Short title of subchapter.

29 This subchapter shall be known and may be cited as the  
30 Electric Vehicle Road Fee Act.

1 § 9032. Road use fee imposed on electric vehicles.

2 (a) Fee required for registration.--Concurrent with  
3 submitting an annual vehicle registration application and fee to  
4 the Department of Transportation under section 1301 (relating to  
5 registration and certificate of title required), an owner of an  
6 electric vehicle shall submit the electric vehicle road fee. The  
7 following shall apply:

8 (1) Normal vehicle registration shall not be considered  
9 complete without payment in full of the electric vehicle road  
10 fee.

11 (2) The electric vehicle road fee shall be paid by each  
12 new owner registering the vehicle with the Commonwealth.

13 (b) Computation of electric vehicle road use fee.--

14 (1) The department shall compute the electric vehicle  
15 road fee for each major vehicle class defined in the CAFE  
16 standards.

17 (2) The electric vehicle road fee shall equal the  
18 average annual vehicle fuel tax within each vehicle class.

19 (3) The average annual vehicle fuel fee computation  
20 shall be as follows:

21 (i) The vehicle average miles driven divided by the  
22 miles per gallon equivalent per vehicle as determined by  
23 the department.

24 (ii) The quotient under subparagraph (i) shall be  
25 multiplied by the oil company franchise tax rate for  
26 gasoline and the product shall be the average annual  
27 vehicle fuel fee.

28 (4) The department shall annually determine the electric  
29 vehicle road fee for each vehicle class, to be published in  
30 the Pennsylvania Bulletin on or before December 15 of each

1 year.

2 (c) Regulations.--The department shall promulgate  
3 regulations to address new vehicle technology.

4 § 9033. Electricity used in electric motor.

5 (a) General rule.--Electricity used in an electric motor  
6 that propels a vehicle on the public highways of this  
7 Commonwealth is not considered a motor fuel or alternative fuel  
8 as defined under this chapter.

9 (b) Electric vehicles exempt from motor fuel and alternative  
10 fuel taxes.--An electric vehicle shall not pay a motor fuel tax  
11 or alternative fuel tax under this chapter unless the tax is  
12 assessed upon motor fuel or alternative fuel taxes that may also  
13 be used for other purposes in the vehicle.

14 § 9034. Fees for highway maintenance and construction.

15 A fee collected under this subchapter must be allocated to  
16 the Motor License Fund in accordance with the allocations under  
17 Chapter 95 (relating to taxes for highway maintenance and  
18 construction). For purposes of aligning the electric vehicle  
19 road fee with the allocations of taxes provided for in Chapter  
20 95, the electric vehicle road fee must be allocated in the same  
21 fashion as the oil company franchise tax in Chapter 95.

22 § 9035. Exempt entities.

23 An electric vehicle registered to an exempt entity under  
24 section 9004(e) (relating to imposition of tax, exemptions and  
25 deductions) is exempt from paying the electric vehicle road fee.  
26 An exempt entity shall comply with the following usage and  
27 recordkeeping requirements:

28 (1) If an electric vehicle registered to an exempt  
29 entity is used for a nonexempt purpose during the  
30 registration year, the exempt entity shall pay a fine to the

1 department of \$500. The vehicle owner is not eligible for a  
2 refund of a registration fee that may have been paid for the  
3 vehicle.

4 (2) An exempt entity applying for a refund under section  
5 9007 (relating to determination and redetermination of tax,  
6 penalties and interest due) shall maintain records of vehicle  
7 usage, certifying that an individual trip made by the vehicle  
8 was for a qualified exempt use. Individual trip logs,  
9 odometer readings and driver signatures shall be among the  
10 records required to substantiate exempt use.

11 (3) The department may inspect the substantiating  
12 records for an exempt entity at any time.

13 (4) The exempt entity shall cooperate with an agent of  
14 the department in an inspection.

15 (5) An exempt entity that refuses to permit the  
16 department or an agent appointed by it in writing to examine  
17 the books, records, papers or other equipment associated with  
18 the operation of an electric vehicle commits a summary  
19 offense and shall pay a fine of \$500 for each electric  
20 vehicle owned or operated by the exempt entity.

21 § 9036. Refunds.

22 A person may be entitled to a refund of the electric vehicle  
23 road fee paid for a vehicle that would otherwise have been  
24 exempt under section 9006 (relating to distributor's report and  
25 payment of tax). A person entitled to a refund of the electric  
26 vehicle road fee shall apply for an annual refund in a manner  
27 similar to the refund process used for motor fuels and  
28 alternative fuels under section 9017 (relating to refunds).

29 § 9037. Motor carriers road tax and the International Fuel Tax  
30 Agreement.

1 The department shall promulgate regulations as necessary for  
2 compliance with the motor carriers road tax and International  
3 Fuel Tax Agreement.

4 Section 22. Sections 9402, 9403(b)(1) and 9405(a) and (i) of  
5 Title 75 are amended to read:

6 § 9402. Construction of chapter.

7 This chapter shall be construed in conjunction with Chapter  
8 90 (relating to [liquid fuels and fuels tax] motor fuels and  
9 alternative fuels taxes and electric vehicle road fee), and any  
10 terms defined therein shall have the same meanings when used in  
11 this chapter.

12 § 9403. Revenue agents; powers.

13 \* \* \*

14 (b) Powers.--Revenue agents shall have the power to:

15 (1) Enforce the provisions of this chapter and Chapter  
16 90 (relating to [liquid fuels and fuels tax] motor fuels and  
17 alternative fuels taxes and electric vehicle road fee) and to  
18 arrest, with or without a warrant, any person violating such  
19 provisions.

20 \* \* \*

21 § 9405. Forfeitures; process and procedures.

22 (a) Subjects of forfeiture.--The following are subject to  
23 forfeiture to the Commonwealth and no property right shall exist  
24 in them:

25 (1) Any liquid fuels or fuels produced in or imported  
26 into this Commonwealth by any distributor who does not  
27 possess a valid liquid fuels tax permit or fuels permit as  
28 required by section 9003 (relating to [liquid fuels and  
29 fuels] motor fuels and alternative fuels permits; bond or  
30 deposit of securities), except liquid fuels or fuels imported

1 in barrels, drums or similar containers with a capacity of  
2 not more than 55 gallons in each barrel, drum or container.

3 (2) All conveyances, including vehicles or vessels, used  
4 to transport liquid fuels or fuels as described in paragraph  
5 (1) except:

6 (i) no conveyance used by any person as a common  
7 carrier in the transaction of business as a common  
8 carrier is subject to forfeiture under this section  
9 unless it appears that the owner or other person in  
10 charge of the conveyance is a consenting party or privy  
11 to a violation of Chapter 90 (relating to [liquid fuels  
12 and fuels tax] motor fuels and alternative fuels taxes  
13 and electric vehicle road fees); and

14 (ii) no bona fide security interest retained or  
15 acquired under Title 13 (relating to commercial code) by  
16 any merchant dealing in new or used vehicles or vessels,  
17 or retained or acquired by any licensed or regulated  
18 finance company, bank, lending institution or by any  
19 other business regularly engaged in the financing of or  
20 lending on the security of such vehicles or vessels,  
21 shall be subject to forfeiture or impairment.

22 \* \* \*

23 (i) Standard of proof.--The claimant shall have the burden  
24 of proving that he is not subject to the provisions of this  
25 section, but the burden of proof shall be upon the Commonwealth  
26 to prove all other facts necessary for the forfeiture of the  
27 property. In the event that the Commonwealth has not met its  
28 burden by a preponderance of the evidence or the claimant has  
29 proved that he is not subject to the provisions of this section,  
30 the court shall order the property returned to the claimant;



1 otherwise, the court shall order the property forfeited to the  
2 Commonwealth. In the case of a motor vehicle, vessel or  
3 conveyance, should the claimant prove to the satisfaction of the  
4 court that he is the registered owner of the motor vehicle,  
5 vessel or conveyance and that he did not know or have reason to  
6 know that it was being used to transport liquid fuels or fuels  
7 in violation of the provisions of section 9404 (relating to  
8 violations and penalties) or 9019 (relating to [diesel] motor  
9 fuel importers and transporters; prohibiting use of dyed diesel  
10 fuel on highways; violations and penalties), the court in its  
11 discretion may order the motor vehicle, vessel or conveyance  
12 returned to the claimant.

13 \* \* \*

14 Section 23. Section 9502(a)(1) of Title 75, amended November  
15 25, 2013 (P.L.974, No.89), is amended to read:

16 § 9502. Imposition of tax.

17 (a) General rule.--

18 (1) An "oil company franchise tax for highway  
19 maintenance and construction" which shall be an excise tax of  
20 60 mills is hereby imposed upon all liquid fuels and fuels as  
21 defined and provided in Chapter 90 (relating to [liquid fuels  
22 and fuels tax] motor fuels and alternative fuels taxes and  
23 electric vehicle road fee), and such tax shall be collected  
24 as provided in section 9004(b) (relating to imposition of  
25 tax, exemptions and deductions). Of the amount collected in  
26 fiscal year 2015-2016, and each fiscal year thereafter,  
27 \$35,000,000 shall be deposited in the Multimodal  
28 Transportation Fund established under 74 Pa.C.S. § 2102  
29 (relating to Multimodal Transportation Fund), to be expended  
30 in accordance with section 11 of Article VIII of the

1 Constitution of Pennsylvania.

2 \* \* \*

3 Section 24. Section 9602 of Title 75 is amended by adding a  
4 definition to read:

5 § 9602. Definitions.

6 The following words and phrases when used in this chapter and  
7 in Chapter 21 (relating to motor carriers road tax  
8 identification markers) shall have the meanings given to them in  
9 this section and in section 2101.1 (relating to definitions)  
10 unless the context clearly indicates otherwise:

11 \* \* \*

12 "License." A license authorizing travel of a qualified motor  
13 vehicle in this Commonwealth which is not suspended, revoked or  
14 canceled.

15 \* \* \*

16 Section 25. Sections 9604(a) and 9610 of Title 75 are  
17 amended to read:

18 § 9604. Credit for motor fuel and alternative fuel tax payment.

19 (a) General rule.--Every motor carrier subject to the tax  
20 imposed under this chapter shall be entitled to a credit on the  
21 tax, equivalent to the rate per gallon of the Pennsylvania tax  
22 which is currently in effect, on all [gasoline or other motor  
23 fuel] motor fuels and alternative fuels purchased by the carrier  
24 within this Commonwealth for use in its operation either within  
25 or without this Commonwealth and upon which [gasoline or other  
26 motor fuel the] motor fuels tax or alternative fuels tax imposed  
27 by the laws of this Commonwealth has been paid by such carrier.  
28 Evidence of the payment of the tax in such form as may be  
29 required by, or is satisfactory to, the department shall be  
30 furnished by each carrier claiming the credit. When the amount

1 of the credit to which any motor carrier is entitled for any  
2 quarter exceeds the amount of the tax for which the carrier is  
3 liable for the same quarter, such excess shall, upon application  
4 and under regulations of the department, be allowed as a credit  
5 on the tax for which the carrier would be otherwise liable for  
6 any of the eight succeeding quarters; or, upon application to  
7 the department within the time that records are required to be  
8 maintained from the end of any quarter, duly verified and  
9 presented, in accordance with regulations promulgated by the  
10 department and supported by such evidence as may be satisfactory  
11 to the department, such excess shall be refunded if it shall  
12 appear that the applicant has paid to another state under a  
13 lawful requirement of such state a tax, similar in effect to the  
14 tax provided in this chapter, on the use or consumption in that  
15 state of [gasoline or other] motor fuel or alternative fuel  
16 purchased in this Commonwealth.

17 \* \* \*

18 § 9610. [Records.

19 Every motor carrier shall keep such records, in such form as  
20 the department reasonably may prescribe, as will enable the  
21 carrier to report and enable the department to determine the  
22 total number of miles traveled by its entire fleet of qualified  
23 motor vehicles, the total number of miles traveled in this  
24 Commonwealth by the entire fleet, the total number of gallons of  
25 motor fuel used by the entire fleet and the total number of  
26 gallons of motor fuel purchased in this Commonwealth for the  
27 entire fleet. All such records shall be safely preserved for a  
28 period of four years in such manner as to insure their security  
29 and availability for inspection by the secretary or any  
30 authorized employee engaged in the administration of this

1 chapter. Upon application in writing, stating the reasons  
2 therefor, the department may, in its discretion, consent to the  
3 destruction of any such records at any time within that period  
4 if the records pertain to a period which has been audited by the  
5 department. Every taxpayer shall retain records required by this  
6 chapter at a place within this Commonwealth, but a taxpayer who  
7 elects to retain records outside of this Commonwealth shall  
8 assume reasonable out-of-State audit expenses.] (Reserved).

9 Section 26. Title 75 is amended by adding a section to read:  
10 § 9610.1 Recordkeeping.

11 (a) Records.--Every motor carrier shall keep records, in a  
12 form as the department may reasonably prescribe, as will enable  
13 the carrier to report and enable the department to determine all  
14 of the following:

15 (1) The total number of miles traveled by its entire  
16 fleet of qualified motor vehicles.

17 (2) The total number of miles traveled in this  
18 Commonwealth by the entire fleet of qualified motor vehicles.

19 (3) The total number of gallons of motor fuel and  
20 alternative fuel used by the entire fleet of qualified motor  
21 vehicles.

22 (4) The total number of gallons of motor fuel and  
23 alternative fuel purchased in this Commonwealth for the  
24 entire fleet of qualified motor vehicles.

25 (b) Record location.--Every taxpayer shall retain records  
26 required by this chapter at a place within this Commonwealth. A  
27 taxpayer who elects to retain records outside this Commonwealth  
28 shall assume reasonable out-of-State audit expenses.

29 (c) Record preservation.--Records shall be preserved for a  
30 period of four years from the due date of the return or the date

1 filed, whichever is later. The preservation shall ensure their  
2 security and availability for inspection by the secretary or any  
3 authorized employee engaged in the administration of this  
4 chapter. Records may be kept on microfilm, microfiche or other  
5 computerized or condensed record storage system. Upon  
6 application in writing, stating the reasons therefor, the  
7 department may, in its discretion, consent to the destruction of  
8 any such records at any time within that period if the records  
9 pertain to a period which has been audited by the department.

10 (d) Record availability.--Records for International Fuel Tax  
11 Agreement licensees must be made available upon request of a  
12 member jurisdiction.

13 (e) Statute of limitations.--Failure to provide records  
14 demande for the purpose of audit shall extend the statute of  
15 limitations until the records are provided.

16 (f) Separate accounting.--Bulk storage fuel purchases and  
17 withdrawals and over-the-road purchases shall be accounted for  
18 separately.

19 (g) International Fuel Tax Agreement vehicles.--The  
20 International Fuel Tax Agreement vehicles whose base  
21 jurisdiction is in this Commonwealth shall follow the  
22 International Fuel Tax Agreement Procedures Manual for the  
23 following recordkeeping standards:

24 (1) Over-the-road fuel purchases.

25 (2) Bulk fuel purchases.

26 (3) Distance records.

27 (4) Acceptable source records for recording vehicle  
28 distance information that may include all of the following:

29 (i) The Individual Vehicle Mileage Record required  
30 by the International Registration Plan.

1           (ii) A trip report that includes the information in  
2 paragraphs (1), (2) and (3), the starting and ending date  
3 of the trip, the trip's origin and destination, including  
4 city and state, routes of travel, starting and ending  
5 odometer readings, vehicle unit number, vehicle fleet  
6 number and licensee's name.

7           (iii) At the option of the carrier, on-board  
8 recording devices that may be used in lieu of or in  
9 addition to handwritten trip reports for fuel tax  
10 reporting. On-board recording devices may be used alone  
11 or in conjunction with an electronic computer system, or  
12 in conjunction with manual systems.

13           (5) Data collection, including, but not limited to,  
14 electronic or hardcopy format, to obtain the information  
15 needed to verify fleet distance, to prepare the Individual  
16 Vehicle Mileage Record and for fuel tax purposes. The carrier  
17 shall maintain all mandatory and optional records as  
18 specified in the International Fuel Tax Agreement Procedures  
19 Manual.

20           (h) Decals.--International Fuel Tax Agreement decals shall  
21 be considered records under this section. International Fuel Tax  
22 Agreement motor carriers shall be responsible for maintaining  
23 the decals for periods sufficient to meet the record  
24 preservation rules under subsection (c). If a motor carrier  
25 loses control of a decal for which it is responsible under  
26 Chapter 21 (relating to motor carriers road tax identification  
27 markers), the motor carrier shall notify the department in  
28 writing of the loss within 30 days. An owner-operator to whom a  
29 licensed carrier has provided decals shall remain responsible  
30 for the disposition of the owner-operator's decals.

1 (i) Qualified motor vehicles.--A qualified motor vehicle not  
2 subject to International Fuel Tax Agreement and holding a motor  
3 carrier road tax license under Chapter 21 shall comply with  
4 subsections (a), (b), (c), (d), (e) and (f). The qualified motor  
5 vehicle holding the permit shall maintain responsibility for  
6 motor carrier road tax decals in a manner similar to that as  
7 provided for International Fuel Tax Agreement decals in  
8 subsection (h).

9 (j) Compliance.--Noncompliance with any recordkeeping  
10 requirement under this section may cause revocation of the  
11 license.

12 Section 27. Sections 9611, 9613, 9615(e), 9616(f) and 9617  
13 of Title 75 are amended to read:

14 § 9611. Surety bond for payment of taxes.

15 (a) General rule.--A motor carrier may give a surety company  
16 bond in an amount deemed necessary by the department to protect  
17 the revenues of the Commonwealth, payable to the Commonwealth of  
18 Pennsylvania and conditioned that the carrier will pay all taxes  
19 due and to become due under this chapter from the date of the  
20 bond to the date when either the carrier or the bonding company  
21 notifies the department that the bond has been canceled. The  
22 surety shall be a corporation authorized to write surety bonds  
23 in this Commonwealth. [As long as the bond remains in force, the  
24 Board of Finance and Revenue may order refunds to the motor  
25 carrier in the amounts appearing to be due on applications duly  
26 filed by the motor carrier under section 9604 (relating to  
27 credit for motor fuel tax payment), without first auditing the  
28 records of the carrier. The bond shall cover taxes and interest  
29 due thereon even though the assessment is made after  
30 cancellation of the bond, but only for taxes due and payable

1 while the bond was in force and penalties and interest on such  
2 taxes.]

3 (b) Conditions for bonding.--The department may require a  
4 licensee to post a bond if any of the following conditions  
5 exist:

6 (1) The licensee fails to timely file tax returns or  
7 remit taxes.

8 (2) When an audit, examination or inspection of records  
9 indicates problems severe enough that, in the department's  
10 discretion, a bond is required to protect the interests of  
11 the Commonwealth or member jurisdictions.

12 (3) As may be required under the International Fuel Tax  
13 Agreement.

14 (c) Surety amount.--The total amount of the bond shall be  
15 determined by the department and shall be equivalent to at least  
16 twice the amount of the estimated average tax liability for the  
17 tax reporting period for which the licensee shall be required to  
18 file a tax return.

19 (d) Surety substitute.--Upon approval by the department, in  
20 lieu of a surety bond, an International Fuel Tax Agreement  
21 licensee or applicant for a new International Fuel Tax Agreement  
22 license may deposit a substitute type of surety as provided for  
23 in the International Fuel Tax Agreement Articles of Agreement  
24 and the International Fuel Tax Agreement Procedures Manual.

25 (e) Demand on bond.--In order to secure the revenues of the  
26 Commonwealth or member jurisdictions, the department shall have  
27 the discretion to make demand on a taxpayer's surety bond upon  
28 discovering a failure to timely file a report or payment as  
29 required under section 9605 (relating to tax due date).

30 (f) Applicability.--Bond requirements under this section may



1 apply to new International Fuel Tax Agreement license applicants  
2 and existing International Fuel Tax Agreement licensees.

3 § 9613. Penalty and interest for failure to report or pay tax.

4 When any motor carrier fails to file a report [and] or pay  
5 the tax within the time prescribed by this chapter for the  
6 filing [and] or payment thereof, he shall pay as a penalty for  
7 each failure to file or to pay on or before the prescribed date  
8 a sum equivalent to 10% of the tax or \$50, whichever is greater.  
9 In addition to this penalty, any unpaid tax shall bear interest  
10 at the current rate [of 1% per month or fraction thereof]  
11 imposed by the International Fuel Tax Agreement until the tax is  
12 paid. If the Commonwealth ceases to participate in the  
13 International Fuel Tax Agreement, the rate shall be 1% per month  
14 or fraction thereof until the tax is paid. The penalties and  
15 interest charges imposed shall be paid to the department in  
16 addition to the tax due. This section shall apply to any  
17 qualified motor vehicle, including a qualified motor vehicle  
18 bearing an International Fuel Tax Agreement license and decal or  
19 motor carrier road tax license and decal in accordance with  
20 Chapter 21 (relating to motor vehicle road tax carriers  
21 identification markers).

22 § 9615. Manner of payment and recovery of taxes, penalties and  
23 interest.

24 \* \* \*

25 (e) Renewal of lien.--[The lien imposed under this section  
26 shall continue for five years from the date of its entry of  
27 record and may be renewed and continued in the manner provided  
28 for the renewal of judgments.] A lien under this section shall  
29 continue as specified under section 1401 of the act of April 9,  
30 1929 (P.L.343, No.176), known as The Fiscal Code.

1 § 9616. Determination, redetermination and review.

2 \* \* \*

3 (f) [Review and appeal.--Any person shall have the right to  
4 review by the Board of Finance and Revenue and appeal in the  
5 same manner and within the same time as provided by law in the  
6 case of capital stock and franchise taxes imposed upon  
7 corporations.] A person dissatisfied with the decision of the  
8 department under subsection (b) shall have the right to petition  
9 for review by the Board of Finance and Revenue in accordance  
10 with Article XXVII of the act of March 4, 1971 (P.L.6, No.2),  
11 known as the Tax Reform Code of 1971.

12 § 9617. [Timely mailing treated as timely filing and payment.

13 With respect to all reports, claims, statements and other  
14 documents required to be filed and all payments required to be  
15 made under this chapter, any such report, claim, statement and  
16 other document or payment of tax withheld shall be considered as  
17 timely filed if the report, claim, statement or other document  
18 or payment which has been received by the department is  
19 postmarked by the United States Postal Service on or prior to  
20 the final day on which payment is to be received. For the  
21 purposes of this chapter, the presentation of a receipt  
22 indicating that the report, claim, statement or other document  
23 or payment was mailed by registered or certified mail on or  
24 before the due date shall be prima facie evidence of timely  
25 filing of the report, claim, statement or other document or  
26 payment.] (Reserved).

27 Section 28. Title 75 is amended by adding a section to read:

28 § 9617.1. Method of filing and timeliness.

29 (a) Electronic filing.--Except as provided for under  
30 subsection (b), unless specifically provided for by law, all

1 reports, payments and petitions shall be filed electronically  
2 with the department. Upon receipt of an electronic filing by the  
3 department, the filing shall be deemed to have occurred on the  
4 specific date and time indicated by the department's computers  
5 or systems.

6 (b) Exceptions.--

7 (1) Electronic payment is not required for any payment  
8 amount less than the current minimum amount specified in  
9 sections 9 and 10 of the act of April 9, 1929 (P.L.343,  
10 No.176), known as The Fiscal Code.

11 (2) A motor carrier may be excused from electronic  
12 filing that is otherwise required by law upon presenting to  
13 the department evidence of hardship in filing electronically.  
14 Such evidence shall be provided to and accepted by the  
15 department before the due date for the report, payment or  
16 petition.

17 (3) Electronic filing shall not be accepted by the  
18 department for certain required filings under this chapter  
19 where the department does not have the technical capability  
20 to process such an electronic filing.

21 (c) United States Postal Service filing.--

22 (1) Whenever a report, payment or petition is required  
23 or allowed by law to be filed with the department by the  
24 United States Postal Service, all of the following shall  
25 apply:

26 (i) If the report must be received by the department  
27 on or before a day certain, the taxpayer shall be deemed  
28 to have complied with the law if the correctly addressed  
29 envelope transmitting the report, payment or petition  
30 received by the department is postmarked by the United

1 States Postal Service on or before the final day on which  
2 the report, payment or petition is required to be  
3 received.

4 (ii) For the purposes of this subsection,  
5 presentation of a receipt from the United States Postal  
6 Service indicating that the correctly addressed envelope  
7 transmitting the report, payment or petition received by  
8 the department was mailed on or before the due date shall  
9 be evidence of timely filing and payment.

10 (d) Applicability.--This section shall not apply to any  
11 report, payment or petition that is required by law to be  
12 delivered by any method other than mailing.

13 Section 29. Section 9622(c) of Title 75 is amended to read:  
14 § 9622. Reciprocal agreements.

15 \* \* \*

16 (c) Exchange of information.--Notwithstanding section 731 of  
17 the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal  
18 Code, any information relating to taxes collected pursuant to  
19 any agreement authorized by this section, including any  
20 information concerning motor fuel taxes relating to such taxes  
21 collected, may be exchanged or shared with any agency,  
22 department or instrumentality of any member jurisdiction,  
23 including an agency of the Commonwealth, with authority under  
24 the laws of that jurisdiction to administer or enforce motor  
25 vehicle or taxation laws or with any instrumentality or  
26 repository of any agreement.

27 \* \* \*

28 Section 30. Title 75 is amended by adding sections to read:  
29 § 9623. Uncollectible payments.

30 If the payment of a tax, penalty or interest imposed by this

1 chapter is returned to the department as uncollectible, the  
2 department shall follow section 3003.9 of the act of March 4,  
3 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.  
4 § 9624. Emergency assistance in timely manner.

5 (a) Within this Commonwealth.--Upon the Governor's  
6 declaration of a state of emergency in this Commonwealth, the  
7 secretary may waive, suspend or otherwise modify any provisions  
8 of this chapter for the sole purpose of enabling motor carriers  
9 to respond to emergency conditions and conduct emergency relief  
10 efforts in a timely manner. The waivers, suspensions or  
11 modifications shall be effective for a specific period of time  
12 as determined by the secretary and shall not exceed the  
13 termination of the state of emergency declared by the Governor.

14 (b) Outside this Commonwealth.--The secretary, with prior  
15 authorization from the Governor, may waive, suspend or otherwise  
16 modify any provisions of this chapter on a temporary and  
17 definite basis in order to facilitate the timely movement of  
18 vehicles or fuel from and through this Commonwealth to other  
19 jurisdictions requesting emergency assistance from this  
20 Commonwealth.

21 (c) Recordkeeping.--Notwithstanding subsections (a) and (b),  
22 all vehicles, including both qualified motor vehicles as defined  
23 under section 2101.1 (relating to definitions) and nonqualified  
24 motor vehicles, or a vehicle operated by an exempt entity  
25 traveling on the public highways of this Commonwealth during the  
26 emergency period under subsection (a) or (b) must maintain  
27 records of purchases of tax-exempt fuel.

28 (d) Taxes not waived.--Unless suspended by the Governor or  
29 secretary, motor fuels and alternative fuels taxes imposed under  
30 section 9004 (relating to imposition of tax, exemptions and

1 deductions) may not be waived for an emergency period under  
2 subsection (a) or (b).

3 Section 31. This act shall take effect as follows:

4 (1) The addition of 75 Pa.C.S. Ch. 90 Subch. C shall  
5 take effect January 1, 2015.

6 (2) The remainder of this act shall take effect July 1,  
7 2014, or immediately, whichever occurs later.