

2014 -- H 7971 SUBSTITUTE A

=====
LC005228/SUB A
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

—————
A N A C T

RELATING TO MOTOR AND OTHER VEHICLES - MOTOR FUEL TAX

Introduced By: Representatives Ucci, Serpa, Fellela, Costantino, and Lima

Date Introduced: March 20, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

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

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

1	(b)	
2	<u>AVERAGE ESTIMATE OF</u>	<u>AMOUNT OF BOND</u>
3	<u>ANNUAL TAXES</u>	
4	\$0 to \$ 1,000,000	\$250,000
5	\$1,000,001 to \$1,500,000	\$350,000
6	\$1,500,001 to \$2,000,000	\$500,000
7	\$2,000,001 to \$ 2,500,000	\$600,000
8	\$2,500,001 to \$3,000,000	\$700,000
9	\$3,000,001 to \$5,000,000	\$1,000,000
10	\$5,000,001 to \$10,000,000	\$2,000,000
11	\$10,000,001 to \$15,000,000	\$3,000,000
12	\$15,000,001 to \$25,000,000	\$4,000,000
13	\$25,000,001 and Over	\$5,000,000

14 (c) In no event shall the amount of the bond in this section exceed five million dollars
15 (\$5,000,000).

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

=====
LC005228/SUB A
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO MOTOR AND OTHER VEHICLES - MOTOR FUEL TAX

1 This act eliminates the requirement that fuel distributors post a surety bond provided the
2 distributor has paid all taxes assessed for a period of three (3) consecutive years and remains in
3 good standing with the division of taxation. If a distributor fails to remain in good standing, the
4 division shall notify the distributor to obtain a new surety bond to be secured within thirty (30)
5 days of said notice. Failure to secure bond under these circumstances, would mean forfeiture of
6 certificate of registration.

7 This act would take effect upon passage.

=====
LC005228/SUB A
=====