

2014 -- H 7971

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LC005228
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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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.

13 (b)

14	<u>AVERAGE ESTIMATE OF</u>	<u>AMOUNT OF BOND</u>
15	<u>ANNUAL TAXES</u>	
16	\$0 to \$ 1,000,000	\$250,000
17	\$1,000,001 to \$1,500,000	\$350,000
18	\$1,500,001 to \$2,000,000	\$500,000
19	\$2,000,001 to \$ 2,500,000	\$600,000

1	\$2,500,001 to \$3,000,000	\$700,000
2	\$3,000,001 to \$5,000,000	\$1,000,000
3	\$5,000,001 to \$10,000,000	\$2,000,000
4	\$10,000,001 to \$15,000,000	\$3,000,000
5	\$15,000,001 to \$25,000,000	\$4,000,000
6	\$25,000,001 and Over	\$5,000,000

7 (c) In no event shall the amount of the bond in this section exceed five million dollars
8 (\$5,000,000).

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act 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.

4 This act would take effect upon passage.

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