

HOUSE BILL NO. 1470

Introduced by

Representatives Kerzman, Boucher, Froelich, Nicholas

Senators Krauter, Tomac

1 A BILL for an Act to amend and reenact sections 57-43.1-03.1, 57-43.2-03, and 57-43.2-18 of
2 the North Dakota Century Code, relating to the tax refund for fuel used for agricultural
3 purposes, the special fuels special excise tax rate and allocation of a portion of revenues to the
4 agricultural research fund; to provide for application; and to provide an effective date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 57-43.1-03.1 of the 1997 Supplement to the
7 North Dakota Century Code is amended and reenacted as follows:

8 **57-43.1-03.1. (Effective until December 31, 1999) Refund of tax for fuel used for**
9 **agricultural purposes - Reductions.** Any consumer who buys or uses any motor vehicle fuel
10 for an agricultural purpose on which the motor vehicle fuel tax has been paid may file a claim
11 with the commissioner for a refund under this chapter. The amount of the tax refund under this
12 section must be reduced by ~~seven~~ three cents per gallon [3.79 liters] except for those fuels
13 used in aircraft or with respect to refunds claimed by aircraft fuel users. Two cents per gallon
14 [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund; and one
15 cent per gallon [3.79 liters] withheld from the refund must be retained in the highway tax
16 distribution fund; ~~and four cents per gallon [3.79 liters] withheld from the refund must be~~
17 ~~deposited in the agricultural research fund.~~

18 **(Effective January 1, 2000) Refund of tax for fuel used for agricultural purposes -**
19 **Reductions.** Any consumer who buys or uses any motor vehicle fuel for an agricultural
20 purpose on which the motor vehicle fuel tax has been paid may file a claim with the
21 commissioner for a refund under this chapter. The amount of the tax refund under this section
22 must be reduced by ~~six~~ two cents per gallon [3.79 liters] except for those fuels used in aircraft
23 or with respect to refunds claimed by aircraft fuel users. Two cents per gallon [3.79 liters]

1 withheld from the refund must be deposited in the agricultural fuel tax fund ~~and four cents per~~
2 ~~gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund.~~

3 **SECTION 2. AMENDMENT.** Section 57-43.2-03 of the 1997 Supplement to the North
4 Dakota Century Code is amended and reenacted as follows:

5 **57-43.2-03. Special excise tax levied.**

- 6 1. Except as otherwise provided in this chapter, a special excise tax of two and
7 one-half percent is imposed on all sales of special fuels, which are exempted from
8 the tax imposed under section 57-43.2-02.
- 9 2. The special excise tax applies to all special fuels taxed under section 57-43.2-02
10 for which taxes are later refunded to any consumer.
- 11 3. A consumer importing special fuel into this state, for a purpose for which the
12 special fuel is taxable under this section, is liable for the tax. The commissioner
13 shall collect the tax from the consumer importing the fuel.
- 14 4. If any fuel subject to tax by this section was subject to tax in any other state or its
15 political subdivisions, the tax in this section applies but at a rate measured by the
16 difference between the rate imposed in this section and the rate imposed by the
17 other state or its political subdivisions. If the tax imposed by the other state or its
18 political subdivisions is the same or greater than the tax imposed by this section,
19 no tax is due.
- 20 5. An invoice, sales ticket, or other sales document issued or created covering a sale
21 taxable under this section must identify the consumer to whom the sale was made,
22 specify the purpose for which the special fuel was sold, and specify whether the
23 fuel was dyed for tax exemption purposes.
- 24 6. The dealer shall remit the tax imposed by this section on all sales to a consumer.

25 **SECTION 3. AMENDMENT.** Section 57-43.2-18 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **57-43.2-18. Distribution of tax.** ~~All~~ Except as otherwise provided in this section, all
28 money collected by the commissioner under the provisions of this chapter must be transferred
29 to the state treasurer who shall credit such money, interest, and penalties to the highway tax
30 distribution fund to be distributed pursuant to section 54-27-19. Twenty percent of net revenues

1 from the tax imposed under section 57-43.2-03 must be deposited in the agricultural research
2 fund.

3 **SECTION 4. APPLICATION.** Section 1 of this Act applies to refund claims for motor
4 vehicle fuel taxes paid after December 31, 1998.

5 **SECTION 5. EFFECTIVE DATE.** Sections 2 and 3 of this Act are effective for taxable
6 events occurring after June 30, 1999.