

Senate Bill No. 421

(By Senators Snyder, Blair, Beach and Barnes)

[Introduced January 23, 2014; referred to the Committee on
Transportation and Infrastructure; and then to the Committee on
Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §11-14C-23 of the Code of West Virginia, 1931, as amended, relating to the removal of certain tax discounts from the motor fuel excise tax.

Be it enacted by the Legislature of West Virginia:

That §11-14C-23 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 14C. MOTOR FUEL EXCISE TAX.

§11-14C-23. Deductions and discounts allowed a supplier and a permissive supplier when filing a return.

The supplier or permissive supplier may deduct from the next monthly return those tax payments that were not remitted for the previous month to the supplier or permissive supplier by any licensed distributor or any licensed importer who removed motor

1 fuel on which the tax is due from the supplier's or permissive
2 supplier's terminal. The licensed supplier or permissive supplier
3 is eligible to take this deduction if the licensed supplier or
4 permissive supplier notifies the state within ten business days
5 after a return is due of any licensed distributor or importer who
6 did not pay to the supplier or permissive supplier the tax due by
7 the time the supplier or permissive supplier filed the monthly
8 return: *Provided*, That when a licensed distributor or licensed
9 importer fails to remit the tax to the licensed supplier or
10 permissive supplier, the licensed supplier or permissive supplier
11 is not eligible to take the deduction for any tax payments that
12 accrue after the ten business day period referenced above for
13 delinquent distributors or importers. The notice shall be
14 transmitted to the state in the form required by the commissioner.
15 A supplier or permissive supplier is not liable for the tax a
16 licensee owes but fails to pay. If a licensee pays to a supplier
17 or permissive supplier the tax owed, but the payment occurs after
18 the supplier or permissive supplier has deducted the amount of the
19 tax on a return, the supplier or permissive supplier shall remit
20 the payment to the commissioner with the next monthly return filed
21 subsequent to receipt of the tax.

22 ~~(b) A supplier or permissive supplier who timely files a~~
23 ~~return with the payment due may deduct, from the amount of tax~~
24 ~~payable with the return, an administrative discount of one tenth of~~

1 ~~one percent of the amount of tax payable to this state, not to~~
2 ~~exceed \$5,000 per month.~~

3 ~~—— (c) For sales from permissive suppliers or suppliers to~~
4 ~~licensed distributors, a supplier or permissive supplier shall~~
5 ~~deduct three fourths of one percent of the tax due from the~~
6 ~~licensed distributor as a discount to that licensed distributor.~~
7 ~~The discount given to the licensed distributor shall be reported on~~
8 ~~the supplier or the permissive supplier's next monthly return.~~
9 ~~This discount only applies to sales from permissive suppliers and~~
10 ~~suppliers to licensed distributors, and shall not apply to any~~
11 ~~other transactions, including, but not limited to, licensed~~
12 ~~distributor to licensed distributor transactions: *Provided, That*~~
13 ~~if the permissive supplier and/or supplier is also a licensed~~
14 ~~distributor, this discount shall not apply.~~

NOTE: The purpose of this bill is to remove certain discounts from the motor fuel excise tax.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.