

P.L.2010, CHAPTER 79, *approved October 1, 2010*

Senate, No. 2289

1 **AN ACT** concerning the tax on motor fuels, amending P.L.2010,
2 c.22

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 2 of P.L.2010, c.22 (C.54:39-102) is amended to
8 read as follows:

9 2. For the purposes of P.L.2010, c.22 (C.54:39-101 et al.), the
10 following terms have the following meanings:

11 "Aviation fuel" means aviation gasoline or aviation grade
12 kerosene **[:]** or any other fuel that is used in aircraft.

13 "Aviation fuel dealer" means a person that acquires aviation fuel
14 from a supplier or from another aviation fuel dealer for subsequent
15 sale **[:]** .

16 "Aviation gasoline" means fuel specifically compounded for use
17 in reciprocating aircraft engines **[:]** .

18 "Aviation grade kerosene" means any kerosene type jet fuel
19 covered by ASTM Specification D 1655 or meeting specification
20 MIL-DTL-5624T (Grade JP-5) or MIL-DTL-83133E (Grade JP-8)
21 **[:]** .

22 "Blend stock" means a petroleum product component of motor
23 fuel, such as naphtha, reformate, toluene or kerosene, that can be
24 blended for use in a motor fuel without further processing. The term
25 includes those petroleum products defined by regulations issued
26 pursuant to sections 4081 and 4082 of the federal Internal Revenue
27 Code of 1986 (26 U.S.C. ss. 4081 and 4082), but does not include
28 any substance that:

29 a. will be ultimately used for consumer nonmotor fuel use; and

30 b. is sold or removed in fifty-five gallon drum quantities or less
31 at the time of the sale or removal **[:]** .

32 "Blended fuel" means a mixture composed of motor fuel and
33 another liquid, including blend stock other than a de minimis
34 amount of a product such as carburetor detergent or oxidation
35 inhibitor, that can be used as a fuel in a highway vehicle. "Blended
36 fuel" includes but is not limited to gasohol, biodiesel, ethanol,
37 methanol, fuel grade alcohol, diesel fuel enhancers and resulting
38 blends **[:]** .

39 "Blender" means a person that produces blended motor fuel
40 outside the terminal transfer system **[:]** .

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 "Blending" means the mixing of one or more petroleum products,
2 with or without another product, regardless of the original character
3 of the product blended, if the product obtained by the blending is
4 capable of use or otherwise sold for use in the generation of power
5 for the propulsion of a motor vehicle, an airplane, or a motorboat.
6 The term does not include the blending that occurs in the process of
7 refining by the original refiner of crude petroleum or the blending
8 of products known as lubricating oil and greases, or the
9 commingling of products during transportation in a pipeline [;] .

10 "Blocked pump" means a pump that, because of the pump's
11 physical limitations, for example, a short hose, cannot be used to
12 fuel a vehicle, or a pump that is locked by the vendor after each sale
13 and unlocked by the vendor in response to a request by a buyer for
14 undyed kerosene for use other than as a fuel in a diesel-powered
15 highway vehicle or train [;] .

16 "Biodiesel" means any motor fuel or mixture of motor fuels that
17 is derived, in whole or in part, from agricultural products or animal
18 fats, or the wastes of such products or fats, and is advertised as,
19 offered for sale as, suitable for use or used as motor fuel in an
20 internal combustion engine [;] .

21 "Bulk plant" means a bulk fuel storage and distribution facility
22 that is not a terminal within the terminal transfer system and from
23 which fuel may be removed by truck or rail car [;] .

24 "Bulk transfer" means a transfer of motor fuel from one location
25 to another by pipeline tender [or], marine delivery, or any other
26 conveyance within the terminal transfer system [;] and includes a
27 transfer within a terminal.

28 "Consumer" means the ultimate user of fuel [;] .

29 "Delivery" means the placing of fuel into the fuel tank of a motor
30 vehicle or into a bulk fuel storage and distribution facility [;] .

31 "Diesel fuel" means a liquid that is commonly or commercially
32 known or sold as a fuel that is suitable for use in a diesel-powered
33 highway vehicle. A liquid meets this requirement if, without
34 further processing or blending, the liquid has practical and
35 commercial fitness for use in the propulsion engine of a diesel-
36 powered highway vehicle. "Diesel fuel" includes biodiesel, number
37 1 and number 2 diesel [;] .

38 "Diesel-powered motor vehicle" means a motor vehicle that is
39 propelled by a diesel-powered engine [;] .

40 "Director" means the Director of the Division of Taxation in the
41 Department of the Treasury [;] .

42 "Distributor" means a person who acquires motor fuel from a
43 supplier, permissive supplier or from another distributor for
44 subsequent sale [;] .

45 "Dyed fuel" means dyed diesel fuel or dyed kerosene that is
46 required to be dyed pursuant to United States Environmental
47 Protection Agency rules or is dyed pursuant to Internal Revenue

1 Service rules or pursuant to any other requirements subsequently set
2 by the United States Environmental Protection Agency or Internal
3 Revenue Service including any invisible marker requirements [;] .

4 "Export" means to obtain fuel in this State for sale or other
5 distribution outside of this State. In applying this definition, fuel
6 delivered out-of-State by or for the seller constitutes an export by
7 the seller, and fuel delivered out-of-State by or for the purchaser
8 constitutes an export by the purchaser [;] .

9 "Exporter" means any person, other than a supplier, who
10 purchases fuel in this State for the purpose of transporting or
11 delivering the fuel outside of this State [;] .

12 "Fuel" means:

13 a. a liquid or gaseous substance commonly or commercially
14 known or sold as gasoline, regardless of its classification or use;
15 and

16 b. a liquid or gaseous substance used, offered for sale or sold
17 for use, either alone or when mixed, blended, or compounded,
18 which is capable of generating power for the propulsion of motor
19 vehicles upon the public highways [;] .

20 "Fuel grade alcohol" means a methanol or ethanol with a proof of
21 not less than one hundred ninety degrees (determined without
22 regard to denaturants) and products derived from that methanol and
23 ethanol for blending with motor fuel [;] .

24 "Fuel transportation vehicle" means any vehicle designed for
25 highway use which is also designed or used to transport fuel [;] .

26 "Gasoline" means all products commonly or commercially
27 known or sold as gasoline that are suitable for use as a motor fuel.
28 Gasoline does not include products that have an ASTM octane
29 number of less than seventy-five as determined by the "motor
30 method," ASTM D2700-92. The term does not include racing
31 gasoline or aviation gasoline, but for administrative purposes does
32 include fuel grade alcohol [;] .

33 "General aviation airport" means a civil airport located in this
34 State other than the international airports located in Newark and
35 Atlantic City [;] .

36 "Gross gallons" means the total measured volume of fuel,
37 measured in U.S. gallons, exclusive of any temperature or pressure
38 adjustments [;] .

39 "Import" means to bring fuel into this State by any means of
40 conveyance other than in the fuel supply tank of a motor vehicle. In
41 applying this definition, fuel delivered into this State from out-of-
42 State by or for the seller constitutes an import by the seller, and fuel
43 delivered into this State from out-of-State by or for the purchaser
44 constitutes an import by the purchaser [;] .

45 "Import verification number" means the number assigned by the
46 director with respect to a single fuel transportation vehicle delivery
47 into this State from another state upon request for an assigned

1 number by an importer or the transporter carrying fuel into this
2 State for the account of an importer [;] .

3 "Importer" includes any person who is the importer of record,
4 pursuant to federal customs law, with respect to fuel. If the
5 importer of record is acting as an agent, the person for whom the
6 agent is acting is the importer. If there is no importer of record of
7 fuel imported into this State, the owner of the fuel at the time it is
8 brought into this State from another state or foreign country is the
9 importer [;] .

10 "Invoiced gallons" means the gallons actually billed on an
11 invoice for payment to a supplier which shall be either gross gallons
12 or net gallons on the original manifest or bill of lading [;] .

13 "Kerosene" means the petroleum fraction containing
14 hydrocarbons that are slightly heavier than those found in gasoline
15 and naphtha, with a boiling range of one hundred forty-nine to three
16 hundred degrees Celsius [;] .

17 "Liquefied petroleum gas dealer" means a person who acquires
18 liquefied petroleum gas for subsequent sale to a consumer and
19 delivery into the vehicle fuel supply tank [;] .

20 "Liquid" means any substance that is liquid in excess of sixty
21 degrees Fahrenheit and at a pressure of fourteen and seven-tenths
22 pounds per square inch absolute [;] .

23 "Motor fuel" means gasoline, diesel fuel, kerosene and blended
24 fuel [;] .

25 "Motor vehicle" means an automobile, truck, truck-tractor or any
26 motor bus or self-propelled vehicle not exclusively operated or
27 driven upon fixed rails or tracks. "Motor vehicle" does not include
28 tractor-type, motorized farm implements and equipment but does
29 include motor vehicles of the truck-type, pickup truck-type,
30 automobiles, and other vehicles required to be registered and
31 licensed each year pursuant to the provisions of the motor vehicle
32 license and registration laws of this State. "Motor vehicle" does not
33 include tractors and machinery designed for off-road use but
34 capable of movement on roads at low speeds [;] .

35 "Net gallons" means the total measured volume of fuel,
36 measured in U.S. gallons, when corrected to a temperature of sixty
37 degrees Fahrenheit and a pressure of fourteen and seven-tenths
38 pounds per square inch absolute [;] .

39 "Permissive supplier" means an out-of-State supplier that elects,
40 but is not required, to have a supplier's license pursuant to
41 P.L.2010, c.22 (C.54:39-101 et al.) [;] .

42 "Person" means an individual, a partnership, a limited liability
43 company, a firm, an association, a corporation, estate, trustee,
44 business trust, syndicate, this State, a county, city, municipality,
45 school district or other political subdivision of this State, or any
46 corporation or combination acting as a unit or any receiver
47 appointed by any state or federal court [;] .

1 "Position holder" means the person who holds the inventory
2 position in fuel in a terminal, as reflected on the records of the
3 terminal operator. A person holds the inventory position in fuel
4 when that person has a contract with the terminal operator for the
5 use of storage facilities and terminating services for fuel at the
6 terminal. The term includes a terminal operator who owns fuel in
7 the terminal [;] .

8 "Propel" means operate the drive engine of a motor vehicle,
9 whether the vehicle is in motion or at rest [;] .

10 "Qualified terminal" means a terminal which has been assigned a
11 terminal control number by the federal Internal Revenue
12 Service [;] .

13 "Rack" means a mechanism for delivering fuel from a refinery or
14 terminal into a railroad tank car, a fuel transportation vehicle or
15 other means of transfer outside of the terminal transfer system [;] .

16 "Racing gasoline" means gasoline that contains lead, has an
17 octane rating of 110 or higher, does not have detergent additives,
18 and is not suitable for use as a motor fuel in a motor vehicle used on
19 public highways [;] .

20 "Refiner" means a person that owns, operates, or otherwise
21 controls a refinery [;] .

22 "Refinery" means a facility used to produce fuel from crude oil,
23 unfinished oils, natural gas liquids, or other hydrocarbons and from
24 which fuel may be removed by pipeline, by ship or barge, or at a
25 rack [;] .

26 "Removal" means any physical transfer of fuel from a terminal,
27 manufacturing plant, pipeline, ship or barge, refinery, from customs
28 custody, or from a facility that stores fuel [;] .

29 "Retail dealer" means a person that engages in the business of
30 selling or dispensing motor fuel to the consumer within this State
31 [;] .

32 "Supplier" means a person that is:

33 a. registered or required to be registered pursuant to section
34 4101 of the federal Internal Revenue Code of 1986 (26 U.S.C.
35 s.4101) for transactions in fuels in the terminal transfer system; and

36 b. satisfies one or more of the following:

37 (1) is the position holder in a terminal or refinery in this State;

38 (2) imports fuel into this State from a foreign country;

39 (3) acquires fuel from a terminal or refinery in this State from a
40 position holder pursuant to either a two-party exchange or a
41 qualified buy-sell arrangement which is treated as an exchange and
42 appears on the records of the terminal operator; or

43 (4) is the position holder in a terminal or refinery outside this
44 State with respect to fuel which that person imports into this State.
45 A terminal operator shall not be considered a supplier based solely
46 on the fact that the terminal operator handles fuel consigned to it
47 within a terminal.

1 "Supplier" also means a person that produces fuel grade alcohol
2 or alcohol-derivative substances in this State, produces fuel grade
3 alcohol or alcohol-derivative substances for import to this State into
4 a terminal, or acquires upon import by truck, rail car or barge into a
5 terminal, fuel grade alcohol or alcohol-derivative substances.

6 "Supplier" includes a permissive supplier unless the "Motor Fuel
7 Tax Act," P.L.2010, c.22 (C.54:39-101 et seq.) specifically provides
8 otherwise [;] .

9 "Terminal" means a bulk fuel storage and distribution facility:

- 10 a. which is a qualified terminal,
11 b. to which fuel is supplied by pipeline or marine vessel, or, for
12 the purposes of fuel grade alcohol, is supplied by truck or railcar,
13 and
14 c. from which fuel may be removed at a rack [;] .

15 "Terminal bulk transfer" includes but is not limited to the
16 following:

- 17 a. a boat or barge movement of fuel from a refinery or terminal
18 to a terminal;
19 b. a pipeline movement of fuel from a refinery or terminal to a
20 terminal;
21 c. a book transfer of product within a terminal between
22 suppliers prior to completion of removal across the rack; and
23 d. a two-party exchange within a terminal between licensed
24 suppliers [;] .

25 "Terminal operator" means a person that owns, operates, or
26 otherwise controls a terminal. A terminal operator may own the
27 fuel that is transferred through, or stored in, the terminal [;] .

28 "Terminal transfer system" means the fuel distribution system
29 consisting of refineries, pipelines, vessels, and terminals. Fuel in a
30 refinery, pipeline, vessel, barge or terminal is in the terminal
31 transfer system. Fuel in the fuel supply tank of an engine, or in a
32 tank car, rail car, trailer, truck, or other equipment suitable for
33 ground transportation is not in the terminal transfer system [;] .

34 "Transmix" means the buffer or interface between two different
35 products in a pipeline shipment, or a mix of two or more different
36 products within a refinery or terminal that results in an off-grade
37 mixture [;] .

38 "Transporter" means an operator of a pipeline, barge, railroad or
39 fuel transportation vehicle engaged in the business of transporting
40 fuel [;] .

41 "Two-party exchange" means a transaction in which:

- 42 a. the fuel is transferred from one licensed supplier or licensed
43 permissive supplier to another licensed supplier or licensed
44 permissive supplier;
45 b. the transaction includes a transfer from the person that holds
46 the original inventory position for fuel in the terminal as reflected
47 on the records of the terminal operator;

1 c. the exchange transaction is simultaneous with removal from
2 the terminal by the receiving exchange partner; and

3 d. the terminal operator in its books and records treats the
4 receiving exchange party as the supplier which removes the product
5 across a terminal rack for purposes of reporting such events to this
6 State [;] .

7 "Ultimate vendor - blocked pumps" means a person that sells
8 clear kerosene at a retail site through a blocked pump and who is
9 registered with both the Division of Taxation in the Department of
10 the Treasury and the federal Internal Revenue Service as an
11 ultimate vendor - blocked pumps [;] .

12 "Undyed diesel fuel" means diesel fuel that is not subject to the
13 federal Environmental Protection Agency dyeing requirements, or
14 has not been dyed in accordance with federal Internal Revenue
15 Service fuel dyeing provisions [;] .

16 "Undyed kerosene" means kerosene that is not subject to the
17 federal Environmental Protection Agency dyeing requirements, or
18 has not been dyed in accordance with federal Internal Revenue
19 Service fuel dyeing provisions [;] . and

20 "Vehicle fuel supply tank" means any receptacle on a motor
21 vehicle from which fuel is supplied to propel the motor vehicle.
22 (cf: P.L.2010, c.22, s.2)

23
24 2. Section 3 of P.L.2010, c.22 (C.54:39-103) is amended to
25 read as follows:

26 3. a. A tax is imposed on fuel used or consumed in this State
27 as follows:

28 (1) Motor fuel:

29 (a) at the rate of 10.5 cents per gallon for:

30 gasoline and

31 blended fuel that contains gasoline or that is intended for use
32 as gasoline;

33 (b) at the rate of 13.5 cents per gallon for:

34 diesel fuel,

35 blended fuel that contains diesel fuel or that is intended for
36 use as diesel fuel, and

37 kerosene [other than aviation grade kerosene];

38 (2) Liquefied Petroleum Gas:

39 at the rate of one-half of the tax imposed under subsection a.
40 of this section on gasoline, or 5.25 cents per gallon;

41 (3) Aviation gasoline:

42 at the rate of 10.5 cents per gallon.

43 b. In addition to the tax, if any, imposed pursuant to subsection
44 a. of this section a tax is imposed on aviation fuel [distributed] for
45 distribution to a general aviation airport at the rate of 2 cents per
46 gallon.

1 c. The taxes imposed by this section are imposed on the
2 consumer, but shall be precollected pursuant to the terms of the
3 "Motor Fuel Tax Act," P.L.2010, c.22 (C.54:39-101 et seq.), for the
4 facility and convenience of the consumer.
5 (cf: P.L.2010, c.22, s.3)

6
7 3. Section 4 of P.L.2010, c.22 (C.54:39-104) is amended to
8 read as follows:

9 4. a. The tax imposed by section 3 of P.L.2010, c.22 (C.54:39-
10 103) on the use of motor fuel and aviation **【gasoline】 fuel** shall be
11 measured by invoiced gallons of fuel removed, other than by a bulk
12 transfer:

13 (1) From the terminal transfer system within this State;

14 (2) From the terminal transfer system outside this State for
15 delivery to a location in this State as represented on the shipping
16 papers, provided that the supplier imports the motor fuel or aviation
17 **【gasoline】 fuel** for the account of the supplier, or the supplier has
18 made a tax precollection election pursuant to section 18 of
19 P.L.2010, c.22 (C.54:39-118); and

20 (3) Upon sale in a terminal or refinery in this State to a person
21 not holding a supplier's or permissive supplier's license.

22 b. Except as provided in paragraph (2) of subsection a. of this
23 section, the tax imposed by section 3 of P.L.2010, c.22 (C.54:39-
24 103) on the use of motor fuel and aviation **【gasoline】 fuel** which is
25 imported into this State, other than by a bulk transfer, is **【payable】**
26 due at the time the product is imported into the State, which tax
27 shall be paid within three business days from the date that the
28 import verification number is assigned or within three business days
29 from the date that the motor fuel or aviation fuel entered this State,
30 whichever is sooner, and shall be measured by invoiced gallons
31 received outside this State at a refinery, terminal or at a bulk plant
32 for delivery to a destination in this State.

33 c. The tax imposed by section 3 of P.L.2010, c.22 (C.54:39-
34 103) on blended fuel made in this State is payable by the blender at
35 the point the blended fuel is made in this State outside of the
36 terminal transfer system. The tax imposed by section 3 of
37 P.L.2010, c.22 (C.54:39-103) on blended fuel imported into this
38 State is payable by the importer of that blended fuel, provided the
39 tax imposed by section 3 of P.L.2010, c.22 (C.54:39-103) has not
40 already been paid to a permissive supplier through a precollection
41 agreement. The number of gallons of blended fuel on which the tax
42 shall be imposed shall be equal to the difference between the
43 number of gallons of blended fuel made and the number of gallons
44 of motor fuel that was previously taxed by section 3 of P.L.2010,
45 c.22 (C.54:39-103) and used to make the blended fuel.

46 d. The tax imposed on aviation fuel by subsection b. of section
47 3 of P.L.2010, c.22 (C.54:39-103) is payable by the person
48 purchasing or acquiring the aviation fuel within this State and shall

1 be precollected by the aviation fuel dealer or supplier making the
2 sale. A person, whether or not licensed under P.L.2010, c.22
3 (C.54:39-101 et al.), who uses, acquires for use, sells or delivers for
4 use in motor vehicles any aviation fuel taxable pursuant to
5 P.L.2010, c.22 (C.54:39-101 et al.) shall be liable for the tax
6 imposed by subsection a. of section 3 of P.L.2010, c.22 (C.54:39-
7 103) as if the aviation fuel were gasoline or kerosene defined as
8 motor fuel.

9 e. The tax imposed by section 3 of P.L.2010, c.22 (C.54:39-
10 103) on liquefied petroleum gas is payable by the person purchasing
11 or acquiring the liquefied petroleum gas within this State for use in
12 a motor vehicle and shall be precollected by the liquefied petroleum
13 gas dealer making the sale. A person, whether or not licensed under
14 P.L.2010, c.22 (C.54:39-101 et al.), who uses, acquires for use, sells
15 or delivers for use in motor vehicles any liquefied petroleum gas
16 taxable pursuant to P.L.2010, c.22 (C.54:39-101 et al.) shall be
17 liable for the tax imposed by subsection a. of section 3 of P.L.2010,
18 c.22 (C.54:39-103) along with applicable penalties.
19 (cf: P.L.2010, c.22, s.4)
20

21 4. Section 5 of P.L.2010, c.22 (C.54:39-105) is amended to
22 read as follows:

23 5. a. A supplier, permissive supplier, importer, exporter,
24 blender, distributor, liquefied petroleum gas dealer, or aviation fuel
25 dealer shall keep a record of all fuel received, sold or used which
26 shall include the name of the purchaser, the number of gallons used
27 or sold and the date of the use or sale. A supplier, permissive
28 supplier, importer, exporter, blender, distributor, liquefied
29 petroleum gas dealer, or aviation fuel dealer shall also deliver with
30 each consignment of fuel to a purchaser within this State a written
31 statement containing the date and number of gallons delivered and
32 the names of the purchaser and seller, and that statement shall show
33 a separate charge for the tax imposed by section 3 of P.L.2010, c.22
34 (C.54:39-103) on each gallon; provided however, that a statement
35 shall not be required to be delivered by the supplier, permissive
36 supplier, importer, exporter, blender, distributor, liquefied
37 petroleum gas dealer, or aviation fuel dealer if a sale of fuel is made
38 at a service station and the fuel is delivered directly into a vehicle
39 fuel supply tank. The records and written statements shall be
40 preserved by a supplier, permissive supplier, importer, exporter,
41 blender, distributor, liquefied petroleum gas dealer, or aviation fuel
42 dealer and the purchaser respectively, for a period of a minimum of
43 four years and shall be offered for inspection at the request of the
44 director.

45 b. A supplier, permissive supplier, importer, exporter, blender,
46 distributor, liquefied petroleum gas dealer, or aviation fuel dealer
47 shall take a physical inventory of fuel on hand on the first or last
48 day of each month and shall have the record of that inventory and of

1 all other matters enumerated in this section available at all times for
2 inspection by the director. Upon demand by the director each
3 supplier, permissive supplier, importer, exporter, blender,
4 distributor, liquefied petroleum gas dealer, and aviation fuel dealer
5 shall furnish a statement under oath reflecting the contents of any
6 records required to be kept by this section.

7 c. Each supplier, permissive supplier, importer, exporter,
8 blender, distributor, liquefied petroleum gas dealer, or aviation fuel
9 dealer shall, on or before the 22nd day of each month, render a
10 report to the director, in the form and manner prescribed by the
11 director, stating the number of gallons of fuel sold or used in this
12 State by that person during the preceding calendar month. Upon
13 application to the director, the period within which a report must be
14 made may be extended up to an additional 10 days, if deemed
15 advisable by the director. A tax at the rate imposed by section 3 of
16 P.L.2010, c.22 (C.54:39-103) shall be paid by each supplier,
17 permissive supplier, importer, exporter, blender, distributor,
18 liquefied petroleum gas dealer, or aviation fuel dealer, on the
19 number of gallons of fuel sold or used in this State by that person
20 during the preceding calendar month and not exempted from
21 taxation, the payment to accompany the filing of the report. The
22 report shall contain further information as the director may
23 prescribe or determine.

24 d. If a supplier, permissive supplier, importer, exporter,
25 blender, distributor, liquefied petroleum gas dealer, or aviation fuel
26 dealer shall fail, neglect or refuse to file the report within the time
27 prescribed by this section, the director shall note that failure,
28 neglect or refusal upon the director's records, and may estimate the
29 sales, distribution and use of that supplier, permissive supplier,
30 importer, exporter, blender, distributor, liquefied petroleum gas
31 dealer, or aviation fuel dealer, assessing the tax thereon, and adding
32 to that assessed tax a penalty of 20% thereof for failure, neglect or
33 refusal to report, and that estimate shall be prima facie evidence of
34 the true amount of tax due to the director from the supplier,
35 permissive supplier, importer, exporter, blender, distributor,
36 liquefied petroleum gas dealer, or aviation fuel dealer; provided that
37 if a good and sufficient cause or reason is shown for a delinquency,
38 the director may remit or waive the payment of the whole or any
39 part of the penalty, as allowed by the State Uniform Tax Procedure
40 Law, R.S.54:48-1 et seq. Reports required by this section,
41 exclusive of schedules, itemized statements and other supporting
42 evidence annexed to those reports, shall at all reasonable times be
43 open to the public, notwithstanding any provision of R.S.54:50-8 to
44 the contrary.

45 (cf: P.L.2010, c.22, s.5)

46

47 5. Section 6 of P.L.2010, c.22 (C.54:39-106) is amended to
48 read as follows:

1 6. a. Each supplier, permissive supplier, importer, exporter,
2 blender, distributor, liquefied petroleum gas dealer, or aviation fuel
3 dealer who sells aviation fuel for distribution to general aviation
4 airports shall, on or before the 22nd day of each month, render a
5 report to the director, stating the number of gallons of aviation
6 **【gasoline】 fuel**, sold in this State by that person for distribution to
7 general aviation airports during the preceding month. In addition to
8 the provisions of section 4 of P.L.2010, c.22 (C.54:39-104) and
9 except as otherwise provided in section 12 of P.L.2010, c.22
10 (C.54:39-112), the tax of 2 cents per gallon as imposed by
11 subsection b. of section 3 of P.L.2010, c.22 (C.54:39-103) on each
12 gallon of aviation **【gasoline】 fuel** so reported shall be paid by each
13 supplier, permissive supplier, importer, exporter, blender,
14 distributor, liquefied petroleum gas dealer, or aviation fuel dealer,
15 the payment to accompany the filing of the report.

16 b. Each supplier, permissive supplier, importer, exporter,
17 blender, distributor, liquefied petroleum gas dealer, or aviation fuel
18 dealer who sells **【turbine fuels】 aviation grade kerosene** for
19 distribution to general aviation airports shall, on or before the 22nd
20 day of each month, render a report to the director, stating the
21 number of gallons of aviation grade kerosene sold by that person for
22 distribution to general aviation airports during the preceding month.
23 Except as otherwise provided by section 12 of P.L.2010, c.22
24 (C.54:39-112), the tax of 2 cents per gallon imposed under
25 subsection b. of section 3 of P.L.2010, c.22 (C.54:39-103) on each
26 gallon of aviation grade kerosene so reported shall be paid by each
27 supplier, permissive supplier, importer, exporter, blender,
28 distributor, liquefied petroleum gas dealer, or aviation fuel dealer,
29 the payment to accompany the filing of the report.

30 c. If a supplier, permissive supplier, importer, exporter,
31 blender, distributor, liquefied petroleum gas dealer, or aviation fuel
32 dealer shall fail, neglect or refuse to file the report within the time
33 prescribed by this section, the director shall note such failure,
34 neglect or refusal upon the director's records, and may estimate the
35 sales, distribution and use of that supplier, permissive supplier,
36 importer, exporter, blender, distributor, liquefied petroleum gas
37 dealer, or aviation fuel dealer, assessing the tax thereon, and adding
38 to that assessed tax a penalty of 20% thereof for failure, neglect or
39 refusal to report, and that estimate shall be prima facie evidence of
40 the true amount of tax due to the director from the supplier,
41 permissive supplier, importer, exporter, blender, distributor,
42 liquefied petroleum gas dealer, or aviation fuel dealer provided that
43 if a good and sufficient cause or reason is shown for a delinquency,
44 the director may remit or waive the payment of the whole or any
45 part of the penalty, as allowed by the State Uniform Tax Procedure
46 Law, R.S.54:48-1 et seq. Reports required by this section,
47 exclusive of schedules, itemized statements and other supporting
48 evidence annexed to those reports, shall at all reasonable times be

1 open to the public, notwithstanding any provision of R.S.54:50-8 to
2 the contrary.

3 d. The monthly filing provisions of this section
4 notwithstanding, the director may require payments of tax liability
5 at intervals and based upon those classifications as the director may
6 prescribe by regulation. In prescribing those other periods to be
7 covered by the return or intervals or classifications for payment of
8 tax liability, the director may take into account the dollar volume of
9 tax involved and the need for assuring the prompt and orderly
10 collection of the taxes imposed.

11 e. The refund provisions of section 12 of P.L.2010, c.22
12 (C.54:39-112) shall not apply to amounts paid pursuant to this
13 section. However, a user of general aviation aircraft shall be
14 allowed a refund or credit of the tax imposed by subsection a. of
15 section 3 of P.L.2010, c.22 (C.54:39-103), provided the user
16 complies with the provisions of section 12 of P.L.2010, c.22
17 (C.54:39-112).

18 (cf: P.L.2010, c.22, s.6)

19

20 6. Section 7 of P.L.2010, c.22 (C.54:39-107) is amended to
21 read as follows:

22 7. a. (1) Transporter reports shall cover monthly periods and
23 shall be submitted within 30 days after the close of the month
24 covered by the reports. The transporter reports shall show all
25 quantities of each type of motor fuel delivered at points in the State
26 or from points inside the State to points outside of the State during
27 the month, giving the name and address of the consignor, the name
28 and address of the consignee, place at which delivered, the date of
29 shipment, the date of delivery, the numbers and initials of the car if
30 shipped by rail, the name of the boat or barge, if shipped by water,
31 or if delivery by other means, the method of delivery and the
32 number of gallons in each shipment.

33 (2) The director shall have the right at any time during normal
34 business hours to inspect the books of a transporter to determine if
35 the requirements of this section are being properly complied with.

36 (3) Each person engaged in the business of hauling, transporting
37 or delivering fuel shall, before entering upon the highways or
38 waterways of this State with any conveyance used therein, apply to
39 the director for the registration of a fuel conveyance on forms as the
40 director shall prescribe. Upon receipt of an application, [the
41 director shall issue] a license certificate and license plate shall be
42 issued for each conveyance which shall show the license number
43 assigned and which shall be displayed on the conveyance at all
44 times in such a manner as the director may regulate. An annual
45 license fee of \$50 shall be paid for the licensing of each such
46 conveyance. Nothing in this section shall in any manner relieve or
47 discharge persons obtaining licenses pursuant to this section from
48 complying with provisions of other laws.

1 (4) A person coming into this State in a motor vehicle may
2 transport in the vehicle fuel supply tank, for the propulsion thereof,
3 fuel without paying the tax, securing the license, or making any
4 report required under P.L.2010, c.22 (C.54:39-101 et al.).

5 b. (1) The driver of a conveyance shall have in the driver's
6 possession at all times while hauling, distributing or transporting
7 fuel, a delivery ticket or other form approved by the director, which
8 shall show the true names of the consignor and consignee and such
9 information as the director may prescribe by regulation. The
10 director or any police officer may stop a conveyance to determine if
11 the provisions of this section are being complied with.

12 (2) The person in charge of any barge, tanker or other vessel in
13 which fuel is being transported, or of a tank truck, truck tractor,
14 semitrailer, trailer, or other vehicle used in transporting fuels other
15 than fuel being transported for use in operating the engine which
16 propels the vessel or vehicle, shall have in that person's possession
17 an invoice, bill of sale or other evidence showing the name and
18 address of the consignor or person from whom that fuel was
19 received by the person in charge and the name and address of the
20 consignee or person to whom the person in charge is to make
21 delivery of the fuel, together with the number of gallons to be
22 delivered to that person, and shall at the request of the director
23 produce that invoice, bill of sale or other record evidence for
24 inspection.

25 c. [(1) A barge, tanker, or other vessel so used for the
26 transportation of fuel shall be plainly and visibly marked on both
27 sides thereof and above the water line with the word "gasoline," or
28 other name of the fuel being transported, in letters at least eight
29 inches high and of corresponding appropriate width. An owner or
30 lessee violating the provisions of this paragraph shall be guilty of a
31 crime of the fourth degree.

32 (2) A tank truck, truck tractor, semitrailer, or trailer used in
33 transporting fuels shall affix to the rear of the truck or trailers a sign
34 which shall indicate in letters not less than four inches high and of
35 corresponding appropriate width, the type of fuel being transported.
36 An owner or lessee violating the provisions of this section shall be
37 punished by imprisonment for not more than six months, or by a
38 fine of not more than \$500, or by both.

39 d.] The license [cards] certificates issued for the operation over
40 the highways or waterways of this State of any conveyance used for
41 the transportation or hauling of fuels may be suspended or revoked
42 upon reasonable grounds by the director in the same manner as
43 other licenses may be suspended or revoked by the director under
44 the provisions of P.L.2010, c.22 (C.54:39-101 et al.).

45 (cf: P.L.2010, c.22, s.7)

46
47 7. Section 8 of P.L.2010, c.22 (C.54:39-108) is amended to
48 read as follows:

1 8. a. A retail dealer, an aviation fuel dealer and a liquefied
2 petroleum gas dealer shall, before engaging in the retail sale of fuel,
3 apply to the director for a license for each establishment operated
4 by that person. A license fee of \$150 shall be paid for the issuance
5 of a retail license, which shall be valid for a three-year period
6 commencing on April 1 and expiring on March 31 of the third
7 succeeding year, and the director shall supply a license plate or
8 suitable substitute containing the number assigned to the licensee,
9 and words denoting whether the license is a retail dealer's license,
10 an aviation fuel dealer's license or a liquefied petroleum gas dealer's
11 license, which the licensee shall publicly display at each
12 establishment in the manner as the director shall prescribe. No
13 applicant shall continue in business after the end of the 14th day
14 following the date of application unless the license applied for has
15 been procured and is publicly displayed at the establishment being
16 operated.

17 b. A retail dealer, liquefied petroleum gas dealer and an
18 aviation fuel dealer shall keep a daily record showing the total
19 amount of fuels sold on each business day, daily dispensing pump
20 totalizer readings, and monthly physical inventories, such records to
21 be preserved for a period of a minimum of four years, and to be
22 open for inspection by the director at all times.

23 (cf: P.L.2010, c.22, s.8)

24

25 8. Section 9 of P.L.2010, c.22 (C.54:39-109) is amended to
26 read as follows:

27 9. a. A person shall, before engaging in the business of a
28 terminal operator, obtain a terminal operator's license from the
29 director, for which a license fee of \$450 shall be paid.

30 b. A terminal operator shall, on or before the **[last]** 25th day of
31 each month, render a report to the director, in such form as the
32 director may prescribe, stating the quantities of fuel received at the
33 terminal in the State or sold from it during the preceding month.

34 At the discretion of the director, a terminal operator's report as
35 submitted under the federal ExSTARS reporting system may be
36 accepted in lieu of the terminal operator's report required under this
37 subsection.

38 c. The director shall have the right at any time during normal
39 business hours to inspect the books of a terminal operator to
40 determine if the requirements of this act are being properly
41 observed.

42 d. The director may require those returns to be filed, in the
43 form and manner, and at the intervals, that the director may
44 prescribe by regulation.

45 (cf: P.L.2010, c.22, s.9)

46

47 9. Section 10 of P.L.2010, c.22 (C.54:39-110) is amended to
48 read as follows:

1 10. a. Except as otherwise provided in this act, all fuel delivered
2 in this State in a vehicle fuel supply tank is presumed to be used or
3 consumed on the highways in this State in producing or generating
4 power for propelling motor vehicles.

5 b. Subject to proof of exemption pursuant to section **[13]** 12 of
6 P.L.2010, c.22 (**[C.54:39-113]** C.54:39-112), all motor fuel is
7 presumed to be used or consumed on the highways of this State to
8 propel motor vehicles if the fuel is:

9 (1) removed from a terminal in this State; or

10 (2) imported into this State other than by a bulk transfer within
11 the terminal transfer system; or

12 (3) delivered into a consumer's bulk storage tank from which
13 motor vehicles can be fueled.

14 (cf: P.L.2010, c.22, s.10)

15
16 10. Section 11 of P.L.2010, c.22 (C.54:39-111) is amended to
17 read as follows:

18 11. a. An excise tax at the applicable rate determined pursuant
19 to section 3 of P.L.2010, c.22 (C.54:39-103) is imposed for a
20 calendar year on unaccounted-for **[fuel]** losses at a terminal that
21 exceed one-half of one percent of the total number of net gallons
22 removed from the terminal during the calendar year by a system
23 transfer or at a rack. To determine liability for the excise tax, the
24 terminal operator shall determine the terminal loss as the difference
25 between:

26 (1) the total amount of all **[fuel in]** inventory at the applicable
27 terminal at the beginning of the year plus the total amount of all
28 fuel received at the terminal during the year; and

29 (2) the total amount of all **[fuel in]** inventory at the terminal at
30 the end of the year plus the total amount **[of all fuel]** removed from
31 the terminal during the year.

32 b. The terminal operator whose fuel is unaccounted for is liable
33 for the tax imposed by this section. Fuel received by a terminal
34 operator and not shown on a report as having been removed from
35 the terminal is presumed to be unaccounted for if not part of the
36 physical inventory of the terminal. A terminal operator may
37 provide documentation to substantiate otherwise unaccountable
38 losses and at the discretion of the director may be relieved of all or
39 a portion of the tax liability.

40 c. The tax at the applicable rate determined pursuant to section
41 3 of P.L.2010, c.22 (C.54:39-103) shall be reported, and the tax
42 shall be due and payable, on or before the 22nd day of the second
43 month following the end of the year.

44 (cf: P.L.2010, c.22, s.11)

45
46 11. Section 12 of P.L.2010, c.22 (C.54:39-112) is amended to
47 read as follows:

- 1 12. a. Fuel used for the following purposes is exempt from the
2 tax imposed by the "Motor Fuels Tax Act," P.L.2010, c.22
3 (C.54:39-101 et seq.), and a refund of the tax imposed by
4 subsection a. of section 3 of P.L.2010, c.22 (C.54:39-103) may be
5 claimed by the consumer providing proof the tax has been paid and
6 no refund has been previously issued:
- 7 (1) Buses while being operated over the highways of this
8 State in those municipalities to which the operator has paid a
9 monthly franchise tax for the use of the streets therein under the
10 provisions of R.S.48:16-25 and buses while being operated over
11 the highways of this State in a regular route bus operation as
12 defined in R.S.48:4-1 and under operating authority conferred
13 pursuant to R.S.48:4-3, or while providing bus service under a
14 contract with the New Jersey Transit Corporation or under a
15 contract with a county for special or rural transportation bus service
16 subject to the jurisdiction of the New Jersey Transit Corporation
17 pursuant to P.L.1979, c.150 (C.27:25-1 et seq.), and buses
18 providing commuter bus service which receive or discharge
19 passengers in New Jersey. For the purpose of this paragraph
20 "commuter bus service" means regularly scheduled passenger
21 service provided by motor vehicles whether within or across the
22 geographical boundaries of New Jersey and utilized by passengers
23 using reduced fare, multiple ride or commutation tickets and shall
24 not include charter bus operations for the transportation of enrolled
25 children and adults referred to in subsection c. of R.S.48:4-1 and
26 "regular route service" does not mean a regular route in the nature
27 of special bus operation or a casino bus operation,
- 28 (2) agricultural tractors not operated on a public highway,
29 (3) farm machinery,
30 (4) aircraft,
31 (5) ambulances,
32 (6) rural free delivery carriers in the dispatch of their official
33 business,
34 (7) vehicles that run only on rails or tracks, and such vehicles as
35 run in substitution therefor,
36 (8) highway motor vehicles that are operated exclusively on
37 private property,
38 (9) motor boats or motor vessels used exclusively for or in the
39 propagation, planting, preservation and gathering of oysters and
40 clams in the tidal waters of this State,
41 (10) motor boats or motor vessels used exclusively for
42 commercial fishing,
43 (11) motor boats or motor vessels, while being used for hire for
44 fishing parties or being used for sightseeing or excursion parties,
45 (12) cleaning,
46 (13) fire engines and fire-fighting apparatus,

1 (14) stationary machinery and vehicles or implements not
2 designed for the use of transporting persons or property on the
3 public highways,

4 (15) heating and lighting devices,

5 (16) motor boats or motor vessels used exclusively for Sea Scout
6 training by a duly chartered unit of the Boy Scouts of America,

7 (17) emergency vehicles used exclusively by volunteer first-aid
8 or rescue squads, and

9 (18) three cents per gallon, the difference between the rate of tax
10 on diesel fuel and the rate of tax on gasoline, for diesel fuel used by
11 passenger automobiles and motor vehicles of less than 5,000 pounds
12 gross weight.

13 b. Subject to the procedural requirements and conditions set
14 out in the "Motor Fuels Tax Act," P.L.2010, c.22 (C.54:39-101 et
15 seq.), the following uses are exempt from the tax imposed by
16 section 3 of P.L.2010, c.22 (C.54:39-103) on fuel, and a deduction
17 or a refund may be claimed by the supplier, permissive supplier or
18 licensed distributor:

19 (1) fuel for which proof of export, satisfactory to the director, is
20 available and is either:

21 (a) removed by a licensed supplier for immediate export to a
22 state in which the supplier has a valid license;

23 (b) removed from a terminal by a licensed **[exporter]** distributor
24 for immediate export as evidenced by the terminal issued shipping
25 papers; or

26 (c) acquired by a licensed distributor and which the tax imposed
27 by P.L.2010, c.22 (C.54:39-101 et al.) has previously been paid or
28 accrued either as a result of being stored outside of the **[bulk]**
29 terminal transfer system immediately prior to loading or as a
30 diversion across state boundaries properly reported in conformity
31 with P.L.2010, c.22 (C.54:39-101 et al.) and was subsequently
32 exported from this State on behalf of the distributor.

33 The exemption pursuant to subparagraphs (a) and (b) of this
34 paragraph shall be claimed by a deduction on the report of the
35 supplier which is otherwise responsible for remitting the tax upon
36 removal of the product from a terminal or refinery in this State. The
37 exemption pursuant to subparagraph (c) of this paragraph shall be
38 claimed by the distributor, upon a refund application made to the
39 director within six months of the licensed distributor's acquisition of
40 the fuel;

41 (2) undyed kerosene sold to a licensed ultimate vendor - blocked
42 pumps; if the licensed ultimate vendor - blocked pumps does not
43 sell the kerosene through dispensers that have been designed and
44 constructed to prevent delivery directly from the dispenser into a
45 motor vehicle fuel supply tank, the ultimate vendor - blocked
46 pumps shall be responsible for the tax imposed by section 3 of
47 P.L.2010, c.22 (C.54:39-103) at the diesel fuel rate. Exempt use of
48 undyed kerosene shall be governed by rules and regulations of the

1 director. If rules or regulations are not promulgated by the director,
2 then the exempt use of undyed kerosene shall be governed by rules
3 and regulations of the Internal Revenue Service. An ultimate
4 vendor-blocked pumps who obtained undyed kerosene upon which
5 the tax levied by section 3 of P.L.2010, c.22 (C.54:39-103) had
6 been paid and makes sales qualifying pursuant to this subsection
7 may apply for a refund of the tax pursuant to an application, as
8 provided by section 14 of P.L.2010, c.22 (C.54:39-114), to the
9 director provided the ultimate vendor-blocked pumps did not charge
10 that tax to the consumer;

11 (3) fuel sold to the United States or any agency or
12 instrumentality thereof, and to the State of New Jersey and its
13 political subdivisions, departments and agencies;

14 (4) aviation fuel sold to a licensed aviation fuel dealer;

15 (5) liquefied petroleum gas except when **[sold by a liquefied**
16 **petroleum gas dealer to someone who is not licensed as a liquefied**
17 **petroleum gas dealer]** delivered to the tank of a highway vehicle;

18 (6) motor fuel on which tax has been paid under this act that is
19 later contaminated **[with dyed fuel]** in a manner making it
20 unsuitable for taxable use. This credit or refund is limited to the
21 remaining portion of taxed fuel in the contaminated mixture and is
22 conditioned upon submitting to the director adequate documentation
23 that the contaminated mixture was subsequently used in an exempt
24 manner;

25 (7) fuel on which tax has been paid pursuant to P.L.2010, c.22
26 (C.54:39-101 et al.) that is either subsequently delivered back into
27 the terminal transfer system for further distribution or delivered to a
28 refinery for further processing;

29 (8) fuel on which tax has been previously imposed and paid
30 pursuant to section 3 of P.L.2010, c.22 (C.54:39-103) and which is
31 either subsequently exported, sold or distributed in this State in a
32 manner which would result in a second tax being owed. If there is a
33 second taxable distribution or sale, the party responsible for
34 remittance of the second tax shall be the party eligible for claiming
35 the refund or deduction;

36 (9) Fuel grade alcohol or biodiesel when sold to a licensed
37 supplier and delivered to a qualified terminal.

38 (cf: P.L.2010, c.22, s.12)

39

40 12. Section 13 of P.L.2010, c.22 (C.54:39-113) is amended to
41 read as follows:

42 13. The exemption under section 12 of P.L.2010, c.22 (C.54:39-
43 112) for sales of fuel sold for use by the United States or any
44 agency or instrumentality thereof and fuel sold for use by the
45 Government of this State, or of any political subdivision of this
46 State or to any department or agency of any of those governments
47 for official use of those governments in motor vehicles, motor
48 boats, or other implements owned or leased by this State or any

1 political subdivision or agency thereof, or to fuels sold at retail to
2 diplomatic missions and diplomatic personnel under a program
3 administered by the director and predicated upon the United States
4 Department of State, Office of Foreign Missions (or its successor
5 office), national tax exemption program shall be claimed as follows:

6 a. The seller shall obtain from the purchasing entity a
7 certificate in such form as the director may by regulation prescribe
8 signed by the purchasing entity listed in this section setting forth:

9 (1) The name and address of the purchasing entity;

10 (2) The quantity of each type of fuel, or if the certificate is for
11 all the fuel purchased by the purchasing entity, the certificate shall
12 be for a period as the director may by regulation prescribe, but not
13 to exceed four years;

14 (3) The exempt use of the fuel;

15 (4) The name and address of the seller from whom the fuel was
16 purchased;

17 (5) The federal employer identification number of the
18 purchasing entity; and

19 (6) A statement that the purchasing entity understands that the
20 fraudulent use of the certificate to obtain fuel without paying the tax
21 levied pursuant to P.L.2010, c.22 (C.54:39-101 et al.) shall result in
22 the purchaser paying the tax, with penalties and interest, as well as
23 such other penalties provided by P.L.2010, c.22 (C.54:39-101 et
24 al.);

25 b. The seller, having obtained from the purchasing entity the
26 certificate, which the seller shall retain for a period of not less than
27 four years, shall be eligible for a deduction or to claim a refund of
28 any taxes paid pursuant to P.L.2010, c.22 (C.54:39-101 et al.); and

29 c. If the sale of fuel to the purchasing entity occurs at a fixed
30 retail pump available to the general public, the seller, having made
31 the sale to the purchasing entity without the tax, may apply for a
32 refund from the director by submitting the application and
33 supporting documentation as the director shall reasonably prescribe.
34 However, if the purchase is charged to a fleet or government fueling
35 credit card, or to an oil company credit card issued to the
36 purchasing entity, the party extending the credit shall be deemed the
37 seller and may bill the purchasing entity without the tax and seek a
38 refund, or use the provisions of this section.

39 (cf: P.L.2010, c.22, s.13)

40
41 13. Section 14 of P.L.2010, c.22 (C.54:39-114) is amended to
42 read as follows:

43 14. a. To claim a refund in accordance with section 12 of
44 P.L.2010, c.22 (C.54:39-112), a person shall present to the director
45 a statement containing a written verification that the claim is made
46 under penalties of perjury and listing the total amount of fuel
47 purchased and used for exempt purposes. A claim shall not be
48 transferred or assigned and shall be filed not more than four years

1 after the date the fuel was imported, removed or sold if the claimant
2 is a supplier, importer, exporter or distributor. If the claim is filed
3 by the consumer, the consumer shall file the claim within six
4 months of the date of purchase. The claim statement shall be
5 supported by the original sales slip, invoice or other documentation
6 as approved by the director and shall include the following
7 information:

8 (1) Date of sale;

9 (2) Name and address of purchaser;

10 (3) Name and address of seller;

11 (4) Number of gallons purchased and base price per gallon;

12 (5) Number of gallons purchased and charged New Jersey fuel
13 tax, as a separate item; and

14 (6) Number of gallons purchased and charged sales tax, if
15 applicable, as a separate item; and

16 (7) Marked "paid" by the seller].

17 b. If the original sales slip or invoice is lost or destroyed, a
18 statement to that effect shall accompany the claim for refund, and
19 the claim statement shall also set forth the serial number of the
20 invoice. If the director finds the claim is otherwise regular, the
21 director may allow such claim for refund.

22 c. The director may make any investigation necessary before
23 refunding the fuel tax to a person and may investigate a refund after
24 the refund has been issued and within the period in which a
25 deficiency may be assessed pursuant to R.S.54:49-6.

26 d. In the case of a refund payable to a supplier pursuant to
27 section 12 of P.L.2010, c.22 (C.54:39-112), the supplier may claim
28 a credit in lieu of the refund for a period not to exceed four years
29 from the date the fuel was imported, removed or sold.

30 e. To establish the validity of claims filed, the claimant shall
31 maintain and preserve for a period of at least four years such fuel
32 consumption records as may be prescribed by the director. The
33 director may require a claimant to furnish such additional proof of
34 the validity of a claim as the director may determine, and may
35 examine the books and records of the claimant for such purpose.
36 Failure of the claimant to maintain and preserve such records,
37 furnish such additional proof or to accede to the demand for such
38 examination by the director shall constitute a waiver of all rights to
39 the claim or claims questioned and such subsequent claims as the
40 director may determine.

41 f. Motor fuel tax that has been paid more than once with
42 respect to the same gallon of fuel shall be refunded by the director
43 to the person who last paid the tax after the subsequent taxable
44 event upon submitting proof satisfactory to the director.

45 g. Fuel tax that has otherwise been erroneously paid by a
46 person shall be refunded by the director upon proof shown
47 satisfactory to the director.

1 h. A refund granted pursuant to section 12 of P.L.2010, c.22
2 (C.54:39-112) to a person for fuel used in aircraft, shall be paid
3 from the moneys deposited in the Airport Safety Fund established
4 by section 4 of P.L.1983, c.264 (C.6:1-92). Those refunds shall be
5 granted on an annual basis.

6 i. Upon approval by the director of an application, a warrant
7 shall be drawn upon the State Treasurer for the amount of the claim
8 in favor of the claimant and the warrant shall be paid from the tax
9 collected on fuel.

10 j. If the State or any political subdivision of the State
11 heretofore shall have been reimbursed and repaid for the tax paid on
12 fuel used for operating or propelling motor vehicles, motor boats or
13 other implements, whether owned or leased by the State or any
14 political subdivision of the State, the State or that political
15 subdivision shall be entitled to retain such reimbursement and
16 repayment, and further claim therefor shall not be required.

17 k. If fuel is sold to a person who claims to be allowed a refund
18 of the tax imposed by the "Motor Fuel Tax Act," P.L.2010, c.22
19 (C.54:39-101 et seq.) the seller of that fuel shall furnish the
20 purchaser with an invoice, or invoices, in conformity with the
21 requirements of this section.

22 (cf: P.L.2010, c.22, s.14)

23
24 14. Section 16 of P.L.2010, c.22 (C.54:39-116) is amended to
25 read as follows:

26 16. Except as otherwise provided by the "Motor Fuel Tax Act,"
27 P.L.2010, c.22 (C.54:39-101 et seq.), the tax imposed by section 3
28 of P.L.2010, c.22 (C.54:39-103) on fuel imported from another state
29 shall be precollected on behalf of the consumers and remitted to the
30 director by the:

31 a. Importer who has imported the nonexempt fuel. The
32 precollection shall be made and remitted when the tax return is due.
33 If the importer was not subject to a precollection agreement with
34 the supplier or permissive supplier, the precollection shall be
35 remitted in the manner specified by the director; or

36 b. Importer who has imported the nonexempt fuel which is
37 subject to a precollection agreement with the supplier or permissive
38 supplier. If the importer is a licensed distributor, the precollection
39 shall be made and remitted to the supplier or permissive supplier no
40 later than two business days prior to the date on which the tax is
41 required to be remitted by the supplier or permissive supplier
42 pursuant to section 19 of P.L.2010, c.22 (C.54:39-119). The
43 importer shall remit the tax to the supplier or permissive supplier,
44 acting as trustee who shall remit to the director on behalf of the
45 distributor under the same terms as a supplier payment pursuant to
46 section 19 of P.L.2010, c.22 (C.54:39-119); or

47 c. **【Unlicensed importer】** Importer at the time the fuel is
48 entered into this State. However, if the supplier of the fuel, as

1 shown on the records of the terminal operator, has made a blanket
2 election to precollect tax in accordance with section 18 of P.L.2010,
3 c.22 (C.54:39-118), then the importer shall remit the tax to the
4 supplier, acting as trustee, who shall remit to the director on behalf
5 of the importer under the same terms as a supplier payment
6 pursuant to section 19 of P.L.2010, c.22 (C.54:39-119), and no
7 import verification number shall be required.

8 (cf: P.L.2010, c.22, s.16)

9
10 15. Section 19 of P.L.2010, c.22 (C.54:39-119) is amended to
11 read as follows:

12 19. a. The tax imposed by section 3 of P.L.2010, c.22 (C.54:39-
13 103), measured by fuel removed from a terminal or refinery in this
14 State, other than a terminal bulk transfer, shall be precollected and
15 remitted on behalf of the consumers to the State by the
16 **【transporter】** person removing the fuel from the facility through the
17 supplier or permissive supplier of the fuel, as shown in the records
18 of the terminal operator, acting as a trustee.

19 b. The supplier, permissive supplier and each reseller shall list
20 the amount of tax as a separate line item on all invoices or billings.

21 c. All tax to be paid by a supplier or permissive supplier with
22 respect to gallons removed on the account of the supplier or
23 permissive supplier during a calendar month shall be due and
24 payable on or before the 22nd day of the following month unless
25 that day falls upon a weekend or State holiday in which case the
26 liability shall be due the next succeeding business day.

27 d. A supplier or permissive supplier shall remit any late taxes
28 remitted to the supplier or permissive supplier by a licensed
29 distributor and shall notify the director within the twenty business
30 day limit provided by section 24 of P.L.2010, c.22 (C.54:39-124) of
31 any late remittances if that supplier or permissive supplier has
32 previously given notice to the director that the tax amount was not
33 received pursuant to section 24 of P.L.2010, c.22 (C.54:39-124).

34 e. The remittance of all amounts of tax due shall be paid on the
35 basis of the amount invoiced.

36 (cf: P.L.2010, c.22, s.19)

37
38 16. Section 21 of P.L.2010, c.22 (C.54:39-121) is amended to
39 read as follows:

40 21. A licensed distributor who removes fuel from a terminal or
41 refinery **【operated by a supplier or permissive supplier and】** who
42 remits the tax through the supplier or permissive supplier, acting as
43 a trustee, may make an election as to the timing of the remittance.
44 At the election of a licensed distributor, which notice shall be
45 evidenced by a written statement from the director as to the
46 purchaser's eligibility status as determined pursuant to section 22 of
47 P.L.2010, c.22 (C.54:39-122), the supplier or permissive supplier
48 shall not require a payment of motor fuel tax on fuel transportation

1 vehicle loads from the licensed distributor sooner than two business
2 days prior to the date on which the tax is required to be remitted by
3 the supplier pursuant to section 19 of P.L.2010, c.22 (C.54:39-119).
4 This election shall be subject to a condition that the remittances by
5 the licensed distributor of tax due the supplier or permissive
6 supplier shall be paid by electronic funds transfer.
7 (cf: P.L.2010, c.22, s.21)

8
9 17. Section 22 of P.L.2010, c.22 (C.54:39-122) is amended to
10 read as follows:

11 22. a. A purchaser desiring to make an election under section 21
12 of P.L.2010, c.22 (C.54:39-121) shall present evidence to the
13 director that:

14 (1) The applicant was a licensee in good standing under
15 R.S.54:39-1 et seq. as to which the applicant remitted tax to the
16 director; or

17 (2) The applicant meets the financial responsibility and bonding
18 requirements imposed by P.L.2010, c.22 (C.54:39-101 et al.), which
19 bond shall conform to the specific requirements of this section.

20 b. The director shall require a purchaser who pays the tax to a
21 supplier to file with the director a surety bond payable to the State,
22 upon which the purchaser is the obligor, or other financial security,
23 in an amount satisfactory to the director, calculated based on three
24 times the potential monthly tax payments for gasoline and diesel
25 fuel separately. The director shall require that the bond indemnify
26 the director against the tax credits claimed by the suppliers pursuant
27 to section 23 of P.L.2010, c.22 (C.54:39-123).

28 c. A purchaser desiring to make an election in accordance with
29 section 21 of P.L.2010, c.22 (C.54:39-121) shall not be subject to
30 the provisions of subsection b. of this section if the purchaser holds
31 a valid distributor's license and meets the bonding requirements
32 according to the law on the day prior to **【October 1, 2010】** January
33 1, 2011. On and after **【October 1, 2010】** January 1, 2011 each
34 purchaser holding a valid distributor's license issued prior to
35 **【October 1, 2010】** January 1, 2011, may elect to become an eligible
36 purchaser. An eligible purchaser shall have the option to provide
37 bonding as provided for distributors in section 34 of P.L.2010, c.22
38 (C.54:39-134).

39 d. The director may **【rescind】** revoke a purchaser's eligibility
40 and election to defer fuel tax remittances for the purchaser's failure
41 to make timely tax-deferred payment of tax to a supplier pursuant to
42 section 21 of P.L.2010, c.22 (C.54:39-121), after five days' notice
43 of and hearing on such proposed revocation or suspension
44 conducted pursuant to the "Administrative Procedure Act,"
45 P.L.1968, c.410 (C.52:14B-1 et seq.). The revocation shall be
46 implemented by sending written notice to all suppliers and
47 publishing notice of the revocation on the website of the Division of
48 Taxation in the Department of the Treasury. As a condition of

1 restoring a purchaser's eligibility, the director may require further
2 assurance of the financial responsibility of the purchaser, including
3 an increase in the amount of the bond or any other action that the
4 director may reasonably require to ensure remittance of the tax
5 imposed by P.L.2010, c.22 (C.54:39-101 et al.).

6 **【The refusal】** An applicant may request a hearing on the denial
7 of an application 【or the cancellation of eligibility shall be an action
8 of the director subject to review pursuant to R.S.54:51A-14;
9 provided however that, notwithstanding any other provision of law
10 to the contrary, appeal shall not act as a stay】 pursuant to the
11 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
12 seq.).

13 e. The director shall publish a list of licensed distributors and
14 make it available to all suppliers on at least a quarterly basis. The
15 director may, at the director's discretion, provide more timely
16 publication via the website of the Division of Taxation in the
17 Department of the Treasury.

18 (cf: P.L.2010, c.22, s.22.)
19

20 18. Section 23 of P.L.2010, c.22 (C.54:39-123) is amended to
21 read as follows:

22 23. A supplier has a fiduciary duty to remit to the director the
23 amount of tax imposed by P.L.2010, c.22 (C.54:39-101 et al.) paid
24 to the supplier, in its role as a trustee, by any purchaser, importer,
25 exporter or licensed distributor. In computing the amount of tax
26 due, the supplier shall be allowed a credit against the tax payable in
27 the amount of tax paid by the supplier that was accrued and
28 remitted to a state, but not received from a licensed distributor. The
29 director may recover any unpaid tax directly from the purchaser,
30 importer, exporter or licensed distributor.

31 (cf: P.L.2010, c.22, s.23)
32

33 19. Section 28 of P.L.2010, c.22 (C.54:39-128) is amended to
34 read as follows:

35 28. a. An applicant for a supplier's, distributor's or terminal
36 operator's license issued pursuant to P.L.2010, c.22 (C.54:39-101 et
37 al.) shall apply in the form and manner as the director shall
38 prescribe by regulation. The application shall be subscribed to by
39 the applicant and shall provide such information as the director may
40 require, including the applicant's federal identification number.

41 b. A license issued pursuant to P.L.2010, c.22 (C.54:39-101 et
42 al.) shall be issued for a three-year period, or the unexpired portion
43 thereof, commencing on April 1 and ending on the third succeeding
44 March 31 and shall be void thereafter, and that license may be
45 suspended, revoked or cancelled by the director. A license fee of
46 \$450 shall be paid for the issuance of that license.

47 c. The director shall investigate each applicant for a license
48 issued pursuant to P.L.2010, c.22 (C.54:39-101 et al.). A license

1 shall not be issued if the director determines that any one of the
2 following conditions exists:

- 3 (1) The application is not filed in good faith;
- 4 (2) The applicant is not the real party in interest;
- 5 (3) The license of the real party in interest has been revoked for
6 cause;
- 7 (4) The applicant managed, operated, owned or controlled,
8 directly or indirectly, a business which held a license issued
9 pursuant to P.L.2010, c.22 (C.54:39-101 et al.) which business is
10 indebted to this State for any tax, penalties or interest accruing
11 hereunder;
- 12 (5) The applicant is managed, operated or controlled, directly or
13 indirectly, by a person who held a license issued pursuant to
14 P.L.2010, c.22 (C.54:39-101 et al.) who is indebted to this State for
15 any tax, penalties, or interest accruing hereunder;
- 16 (6) The applicant is managed, operated, owned, or controlled,
17 directly or indirectly, by a person who managed, operated, owned or
18 controlled, directly or indirectly, a business that held a license
19 issued pursuant to P.L.2010, c.22 (C.54:39-101 et al.) and which is
20 indebted to this State for any tax, penalties, or interest accruing
21 hereunder;
- 22 (7) Any good cause as the director may determine; or
- 23 (8) With respect to a distributor's license, the applicant
24 intending to export is not licensed in the intended specific state or
25 states of destination.

26 d. A person shall not be entitled to hold a license if it shall
27 appear to the director that an officer, director or employee of that
28 person has been convicted of violating any of the provisions of
29 P.L.2010, c.22 (C.54:39-101 et al.) or of R.S.54:39-1 et seq. or if a
30 license issued pursuant to the provisions of P.L.2010, c.22
31 (C.54:39-101 et al.) or of R.S.54:39-1 et seq. and held by an officer,
32 director or employee of that person has been revoked by the director
33 for cause.

34 e. Applicants, including corporate officers, partners, members
35 and individuals, for a license issued by the director may be required
36 to submit their fingerprints to the director at the time of application.
37 Officers of a "publicly traded corporation," as that term is defined
38 by section 39 of P.L.1977, c.110 (C.5:12-39), and its subsidiaries
39 shall be exempt from this fingerprinting requirement. Persons,
40 other than applicants for a distributor's license, who possessed
41 licenses issued pursuant to R.S.54:39-1 et seq. continuously for
42 three years prior to **【October 1, 2010】** January 1, 2011, shall also
43 be exempt from this provision. Fingerprints required by this section
44 shall be submitted on forms prescribed by the director. The director
45 may forward to the Federal Bureau of Investigation or any other
46 agency for processing all fingerprints submitted by license
47 applicants. The receiving agency shall issue its findings to the

1 director. The director or another State agency may maintain a file
2 of fingerprints.

3 (cf: P.L.2010, c.22, s.28)
4

5 20. Section 33 of P.L.2010, c.22 (C.54:39-133) is amended to
6 read as follows:

7 33. a. A person other than a supplier desiring to export fuel to a
8 destination outside of this State shall first obtain a distributor's
9 license. Issuance of a distributor's license shall be conditioned upon
10 the applicant holding an appropriate license to import the fuel into
11 the destination state or states.

12 b. A person desiring to deliver dyed fuel or undyed fuel into
13 this State on the person's own behalf, for the person's own account,
14 or for resale to a purchaser in this State, from another state in a fuel
15 transportation vehicle or in a pipeline or barge shipment into
16 storage facilities other than a qualified terminal, shall first make
17 application for and obtain a distributor's license.

18 c. A person desiring to import fuel to a destination in this State
19 from another state, and who has not entered into an agreement to
20 remit the tax imposed by section 3 of P.L.2010, c.22 (C.54:39-103)
21 to the supplier or permissive supplier as trustee with respect to the
22 imports shall do the following:

23 (1) apply for and obtain a distributor's license; and

24 (2) comply with the payment requirements of section **[12]** 16 of
25 P.L.2010, c.22 (C.**[54:39-112]** 54:39-116).

26 d. A person blending any motor fuel for sale shall apply for and
27 obtain a distributor's license.

28 e. A distributor's license is a prerequisite to making the
29 election permitted in section 21 of P.L.2010, c.22 (C.54:39-121).

30 (cf: P.L.2010, c.22, s.33)
31

32 21. Section 35 of P.L.2010, c.22 (C.54:39-135) is amended to
33 read as follows:

34 35. a. If the license applicant and bond are approved, the
35 director shall issue a license for the applicant's principal place of
36 business and the applicant shall make copies for each other business
37 location.

38 b. A license is valid until suspended, revoked for cause,
39 cancelled or the license expires.

40 c. A license is not transferable to another person or to another
41 place of business. For purposes of this section, a transfer of a
42 majority interest in a business association, including corporations,
43 partnerships, trusts, joint ventures and any other business
44 association, shall be deemed to be a transfer of any license held by
45 the business association to another person. Any change in
46 ownership of a business association, other than a "publicly traded
47 corporation," as that term is defined by section 39 of P.L.1977,
48 c.110 (C.5:12-39), shall be reported to the director.

- 1 d. A license shall be preserved and conspicuously displayed at
2 the principal place of business for which it is issued.
- 3 e. A person licensed under P.L.2010, c.22 (C.54:39-101 et al.)
4 shall display the person's conveyance number on the back of any
5 conveyance of fuel.
- 6 f. Upon the discontinuance, sale, transfer or change of
7 ownership of the business, the license shall be immediately
8 surrendered to the director. Any relocation of the business shall be
9 immediately reported to the director.
- 10 g. If a person licensed to do business pursuant to P.L.2010,
11 c.22 (C.54:39-101 et al.) discontinues, sells, or transfers the
12 business, the licensee shall immediately notify the director in
13 writing of the discontinuance, sale, or transfer. The notice shall
14 give the date of discontinuance, sale, or transfer and if the business
15 is sold or transferred, the name and address of the purchaser or
16 transferee. The licensee shall be liable for all taxes, interest, and
17 penalties that accrue or may be owing and any criminal liability for
18 misuse of the license that occurs prior to cancellation of the license.
- 19 h. The director shall publish without charge a list of updates of
20 all licensees, by category.
- 21 i. A licensee shall maintain and keep for a **[period]** minimum
22 of four years records of all transactions by which fuel is received,
23 used, sold, delivered, or otherwise disposed of, together with
24 invoices, bills of lading, and other pertinent records and papers as
25 may be required by the director for reasonable administration of
26 P.L.2010, c.22 (C.54:39-101 et al.).
27 (cf: P.L.2010, c.22, s.35)
28
- 29 22. Section 39 of P.L.2010, c.22 (C.54:39-139) is amended to
30 read as follows:
- 31 39. a. A person transporting fuel in a fuel transportation vehicle
32 upon the public highways of this State shall:
- 33 (1) Carry on board the shipping document issued by the terminal
34 operator or the bulk plant operator of the facility where the fuel was
35 obtained, whether within or without this State. The shipping paper
36 shall set out on its face the state of destination of the fuel
37 transported in the vehicle as represented to the terminal operator at
38 the time the fuel transportation vehicle was loaded;
- 39 (2) Show, and permit duplication of, the shipping document by a
40 law enforcement officer or the director, upon request, when
41 transporting, holding or off-loading the fuel described in the
42 shipping document;
- 43 (3) Provide a copy of the shipping document to the distributor or
44 other person who controls the facility to which the fuel is delivered;
45 and
- 46 (4) Meet such other conditions as the director may require for
47 the enforcement of P.L.2010, c.22 (C.54:39-101 et al.).

1 b. A person transporting fuel in fuel transportation vehicles
2 upon the public highways of this State shall provide the original or
3 a copy of the terminal-issued shipping document accompanying the
4 shipment to the operator of the retail outlet, bulk plant or bulk end
5 user bulk storage facility to which delivery of the shipment was
6 made. However, a delivery ticket created by the person
7 transporting the fuel may be provided in lieu of the terminal-issued
8 shipping paper for deliveries into bulk end user bulk storage.

9 c. The operator of a fuel retail outlet, bulk plant or bulk end
10 user bulk storage facility shall receive, examine, and retain for a
11 period of 30 days at the delivery location the terminal-issued
12 shipping document received from the transporter for every shipment
13 of fuel that is delivered to that location with record retention of the
14 shipping paper **[of three]** for a minimum of four years required off-
15 site. If the delivery location is an unattended location, the operator
16 may retain the shipping documents at the normal billing address of
17 the operator.

18 d. A retail dealer, liquefied petroleum gas dealer, aviation fuel
19 dealer, bulk plant operator, wholesale distributor or bulk end user
20 shall not knowingly accept delivery of fuel into bulk storage
21 facilities in this State if that delivery is not accompanied by a
22 shipping paper issued by the terminal operator, or bulk plant
23 operator as provided by regulations, that sets out on its face this
24 State as the state of destination of the fuel.

25 e. A person who knowingly violates or knowingly aids and
26 abets another to violate this section shall be jointly and severally
27 liable for the tax on the fuel transported or delivered.

28 f. A person owning or operating a motor vehicle in violation of
29 this section and sections 42 and 43 of P.L.2010, c.22 (C.54:39-142
30 and C.54:39-143) is guilty of a crime of the fourth degree for the
31 first offense. For the second and each subsequent offense, a violator
32 is guilty of a crime of the third degree.

33 g. The director shall impose a civil penalty of \$500 on a person
34 transporting fuel for the first occurrence of transporting fuel without
35 adequate shipping papers annotated as required under this section
36 and sections 42 and 43 of P.L.2010, c.22 (C.54:39-142 and C.54:39-
37 143). Each of that person's subsequent occurrences described in
38 this subsection is subject to a civil penalty of up to \$5,000.
39 (cf: P.L.2010, c.22, s.39)
40

41 23. Section 41 of P.L.2010, c.22 (C.54:39-141) is amended to
42 read as follows:

43 41. a. A person shall not sell, use, deliver, or store in this State,
44 or import for sale, use, delivery or storage in this State, fuel as to
45 which the tax imposed by section 3 of P.L.2010, c.22 (C.54:39-103)
46 has not been previously paid to or accrued by either a licensed
47 supplier, or permissive supplier, at the time of removal from a
48 terminal, or a licensed distributor provided all the conditions of

1 section 43 of P.L.2010, c.22 (C.54:39-143) applicable to lawful
2 import by the distributor shall have been met.

3 b. The provisions of subsection a. of this section shall not
4 apply to:

5 (1) A supplier with respect to fuel held within the terminal
6 transfer system in this State which was manufactured in this State
7 or imported into this State in a bulk transfer;

8 (2) A consumer with respect to fuel placed in the vehicle fuel
9 supply tank of that person's motor vehicle outside of this State;

10 (3) Dyed fuel, dyed in accordance with P.L.2010, c.22 (C.54:39-
11 101 et al.);

12 (4) Fuel in the process of exportation by a supplier or a
13 distributor in accordance with the shipping papers required by
14 section 39 of P.L.2010, c.22 (C.54:39-139) and with a statement
15 meeting the requirements of section 42 of P.L.2010, c.22 (C.54:39-
16 142) shown on the shipping papers;

17 (5) Kerosene used in aircraft subject to the conditions and
18 exceptions in subsection a. of section 12 of P.L.2010, c.22
19 (C.54:39-112);

20 (6) Fuel in possession of a consumer as to which a refund has
21 been issued;

22 (7) Government and other exempt fuel under paragraphs (3) and
23 (4) of subsection b. of section 12 of P.L.2010, c.22 (C.54:39-112);
24 or

25 (8) A distributor who has met the conditions of section **[43]** 21
26 of P.L.2010, c.22 (C.**[54:39-143]** 54:39-121).
27 (cf: P.L.2010, c.22, s.41)
28

29 24. Section 42 of P.L.2010, c.22 (C.54:39-142) is amended to
30 read as follows:

31 42. a. Except as provided in subsection c. of this section, a
32 person shall not operate a fuel transportation vehicle that is engaged
33 in the shipment of fuel on the public highways of this State without
34 having on board a terminal-issued shipping paper bearing, in
35 addition to the requirements of subsection a. of section 38 of
36 P.L.2010, c.22 (C.54:39-138), a notation indicating that, with
37 respect to diesel fuel acquired under claim of exempt use, a
38 statement indicating the fuel is "DYED DIESEL FUEL,
39 NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE"
40 for the load or the appropriate portion of the load. With respect to
41 kerosene acquired under claim of exempt use, a statement shall
42 indicate the fuel is "DYED KEROSENE, NONTAXABLE USE
43 ONLY, PENALTY FOR TAXABLE USE" for the load or the
44 appropriate portion of the load.

45 b. A person is in violation of subsection a. of this section upon
46 boarding the vehicle with a shipping paper which does not meet the
47 requirements set forth in this section.

1 c. (1) The director may in the director's discretion provide an
2 advance notification procedure with respect to documentation for
3 imported fuel as to which the importer is unable to obtain terminal-
4 issued shipping papers which comply with this section.

5 (2) Compliance with relevant federal standards shall satisfy the
6 requirements of subsection a. of this section.

7 d. Any person who knowingly violates any part of this section
8 is guilty of a crime of the fourth degree.

9 e. The director, the Office of Weights and Measures of the
10 Division of Consumer Affairs in the Department of Law and Public
11 Safety, and the Superintendent of State Police [,] and [its officers]
12 the members of the State Police shall have full authority in
13 enforcing the provisions of this section.

14 (cf: P.L.2010, c.22, s.42)

15
16 25. Section 43 of P.L.2010, c.22 (C.54:39-143) is amended to
17 read as follows:

18 43. a. If a distributor acquires fuel destined for this State which
19 has neither been dyed in accordance with the Internal Revenue
20 Code and the regulations issued thereunder, nor tax paid to or
21 accrued by the supplier at the time of removal from the out-of-State
22 terminal, a licensed distributor and transporter operating on behalf
23 of the **[licensed]** importer shall meet all of the following conditions
24 prior to entering fuel onto the highways of this State by loaded fuel
25 transportation vehicle:

26 (1) The terminal origin and the name and address of the
27 importer shall also be set out prominently on the face of each copy
28 of the terminal-issued shipping paper;

29 (2) The terminal-issued shipping paper data otherwise required
30 by P.L.2010, c.22 (C.54:39-101 et al.), shall be present; and

31 (3) All tax imposed by P.L.2010, c.22 (C.54:39-101 et al.) with
32 respect to previously requested import verification number activity
33 on the account of the distributor or the transporter shall **[have**
34 **been]** be timely precollected or remitted.

35 b. A person who knowingly violates or knowingly aids and
36 abets another to violate this section is guilty of a crime of the fourth
37 degree, provided that a first offense related to a good faith belief
38 that the distributor could import under the conditions will be
39 punishable only by a fine not to exceed \$1,000.

40 c. The director, the Office of Weights and Measures of the
41 Division of Consumer Affairs in the Department of Law and Public
42 Safety, and the Superintendent of State Police and the members of
43 the State Police shall have full authority in enforcing the provisions
44 of this section.

45 (cf: P.L.2010, c.22, s.43)

46
47 26. Section 44 of P.L.2010, c.22 (C.54:39-144) is amended to
48 read as follows:

1 44. a. A person shall not operate or maintain a motor vehicle on
2 any public highway in this State with dyed fuel contained in the
3 vehicle fuel supply tank except for uses of dyed fuel on the highway
4 which are lawful under the federal Internal Revenue Code and the
5 regulations thereunder unless otherwise prohibited by P.L.2010,
6 c.22 (C.54:39-101 et al.).

7 b. A person shall not sell or hold for sale dyed fuel for any use
8 that the person knows or has reason to know is a taxable use of the
9 dyed fuel.

10 c. A person shall not use or hold for use any dyed fuel for a
11 taxable use when the person knows or has reason to know that the
12 fuel is dyed fuel.

13 d. A person shall not willfully, with intent to evade tax, alter or
14 attempt to alter the strength or composition of any dye or marker in
15 any dyed fuel.

16 e. A person who knowingly violates or knowingly aids and
17 abets another to violate the provisions of this section with the intent
18 to evade the tax imposed by P.L.2010, c.22 (C.54:39-101 et al.) is
19 guilty of a crime of the fourth degree.

20 f. A person, and an officer, employee, or agent of that person
21 or entity who willfully participates in any act in violation of this
22 section shall be jointly and severally liable with the person for the
23 tax and penalty which shall be the same as imposed pursuant to
24 section 6715 of the federal Internal Revenue Code of 1986 (26
25 U.S.C. s.6715).

26 g. A person or business entity, and each officer, employee, or
27 agent of the entity who willfully participates in any act in violation
28 of this section shall be jointly and severally liable with the entity for
29 the tax and penalty, which shall be the same as that imposed
30 pursuant to section 6715 of the federal Internal Revenue Code of
31 1986 (26 U.S.C. s.6715).

32 h. The director, the Office of Weights and Measures of the
33 Division of Consumer Affairs in the Department of Law and Public
34 Safety, and the Superintendent of State Police and the members of
35 the State Police shall have full authority in enforcing the provisions
36 of this section.

37 (cf: P.L.2010, c.22, s.44)

38
39 27. Section 50 of P.L.2010, c.22 is amended to read as follows:

40 50. a. There is levied a tax on fuel held in storage as of the
41 close of the business day preceding **【October 1, 2010】** January 1,
42 2011. For the purpose of this section, "close of the business day"
43 means the time at which the last transaction has occurred for that
44 day. The tax on fuel shall be the tax rate specified by subsection a.
45 of section 3 of P.L. , c. (C.)(pending before the Legislature as
46 this bill) for the type of fuel, multiplied by the gallons in storage of
47 that type of fuel as of the close of business day preceding **【October**
48 **1, 2010】** January 1, 2011.

1 b. Persons in possession of fuel in storage as of the close of the
2 business day immediately preceding **【October 1, 2010】** January 1,
3 2011 shall:

4 (1) take an inventory at the close of the business day
5 immediately preceding **【October 1, 2010】** January 1, 2011;

6 (2) report the gallons listed in paragraph (1) of this subsection
7 on forms provided by the director, not later than **【October 1, 2010】**
8 January 1, 2011; and

9 (3) Remit the tax levied under this section no later than **【April**
10 **1, 2011】** July 1, 2011.

11 c. If tax due pursuant to subsection b. of this section is paid to
12 the director on or before **【October 31, 2010】** January 31, 2011, the
13 person remitting the tax may deduct from that person's tax liability
14 10% of the tax liability otherwise due.

15 d. In determining the amount of tax due under this section, a
16 person may exclude the amount of fuel in dead storage in each
17 storage tank. For the purposes of this section, "dead storage" means
18 the amount of fuel that cannot be pumped out of a fuel storage tank
19 because the motor fuel is below the mouth of the draw pipe. The
20 amount of motor fuel in dead storage is 200 gallons for a tank with
21 a capacity of less than 10,000 gallons and 400 gallons for a tank
22 with a capacity of 10,000 gallons or more.

23 (cf: P.L.2010, c.22, s.50)

24

25 28. Section 51 of P.L.2010, c.22 is amended to read as follows:

26 51. a. A person who is licensed as a distributor pursuant to
27 R.S.54:39-17 prior to **【October 1, 2010】** January 1, 2011 shall be
28 deemed a supplier licensed pursuant to the "Motor Fuel Tax Act,"
29 P.L.2010, c.22 (C.54:39-101 et seq.) as of **【October 1, 2010】**
30 January 1, 2011 and subject to P.L.2010, c.22 (C.54:39-101 et al.)
31 regarding licensed suppliers unless the person licensed as a
32 distributor pursuant to R.S.54:39-17 provides notice prior to
33 **【October 1, 2010】** January 1, 2011 that the person does not desire the
34 status of licensee as a supplier pursuant to P.L.2010, c.22 (C.54:39-
35 101 et al.). A person who is licensed as a distributor pursuant to
36 R.S.54:39-17 prior to **【October 1, 2010】** January 1, 2011 who
37 declines licensure pursuant to the "Motor Fuel Tax Act," P.L.2010,
38 c.22 (C.54:39-101 et seq.) shall be deemed to have terminated its
39 license as of the end of **【September 30, 2010】** December 31, 2010,
40 shall cease in-State activities covered by P.L.2010, c.22 (C.54:39-101
41 et al.), and shall be subject to final report requirements of section 27
42 of P.L.2010, c.22 (C.54:39-127). If no notice is received by the
43 director prior to **【October 1, 2010】** January 1, 2011 declining
44 licensure, then that shall be deemed acceptance of the new license and
45 responsibilities pursuant to the "Motor Fuel Tax Act," P.L.2010, c.22
46 (C.54:39-101 et seq.), and the person may continue in operation
47 except as provided by subsection f. of this section.

1 Notice may be given to a person who is licensed as a distributor
2 pursuant to R.S.54:39-17 prior to **【October 1, 2010】** January 1,
3 2011 that the person will not be granted a license pursuant to the
4 “Motor Fuel Tax Act,” P.L.2010, c.22 (C.54:39-101 et seq.). A
5 person given that notice shall cease activities covered by the license on
6 or before **【October 1, 2010】** January 1, 2011, shall be deemed to
7 have terminated its license as of the end of **【September 30, 2010】**
8 December 31, 2010, and shall be subject to final report
9 requirements of section 27 of P.L.2010, c.22 (C.54:39-127).

10 b. A person who is licensed as a retail dealer pursuant to
11 R.S.54:39-30 prior to **【October 1, 2010】** January 1, 2011 shall be
12 deemed a retail dealer licensed pursuant to the “Motor Fuel Tax
13 Act,” P.L.2010, c.22 (C.54:39-101 et seq.) as of **【October 1, 2010】**
14 January 1, 2011 and subject to P.L.2010, c.22 (C.54:39-101 et al.)
15 regarding retail dealers unless the person licensed as a retail dealer
16 pursuant to R.S.54:39-30 provides notice prior to **【October 1, 2010】**
17 January 1, 2011 that the person does not desire the status of licensee
18 as a retail dealer pursuant to P.L.2010, c.22 (C.54:39-101 et al.). A
19 person who is licensed as a retail dealer pursuant to R.S.54:39-30
20 prior to **【October 1, 2010】** January 1, 2011 who declines licensure
21 pursuant to the “Motor Fuel Tax Act,” P.L.2010, c.22 (C.54:39-101
22 et seq.) shall be deemed to have terminated its license as of the end
23 of **【September 30, 2010】** December 31, 2010, and shall cease in-
24 State activities covered by P.L.2010, c.22 (C.54:39-101 et al.). If no
25 notice is received by the director prior to **【October 1, 2010】** January
26 1, 2011 declining licensure, then that shall be deemed acceptance of
27 the new license and responsibilities pursuant to the “Motor Fuel Tax
28 Act,” P.L.2010, c.22 (C.54:39-101 et seq.), and the person may
29 continue in operation except as provided by subsection f. of this
30 section.

31 Notice may be given to a person who is licensed as a retail dealer
32 pursuant to R.S.54:39-30 prior to **【October 1, 2010】** January 1,
33 2011 that the person will not be granted a license pursuant to the
34 “Motor Fuel Tax Act,” P.L.2010, c.22 (C.54:39-101 et seq.). A
35 person given that notice shall cease activities covered by the license on
36 or before **【October 1, 2010】** January 1, 2011, shall be deemed to
37 have terminated its license as of the end of **【September 30, 2010】**
38 December 31, 2010, and shall be subject to final report
39 requirements of section 27 of P.L.2010, c.22 (C.54:39-127).

40 c. A person who is licensed as an importer, exporter,
41 wholesaler, or jobber pursuant to R.S.54:39-1 et seq. prior to
42 **【October 1, 2010】** January 1, 2011 shall be deemed a distributor
43 licensed pursuant to the “Motor Fuel Tax Act,” P.L.2010, c.22
44 (C.54:39-101 et seq.) as of **【October 1, 2010】** January 1, 2011 and
45 subject to P.L.2010, c.22 (C.54:39-101 et al.) regarding licensed
46 **【suppliers】** distributors unless the person licensed as an importer,

1 exporter, wholesaler, or jobber pursuant to R.S.54:39-1 et seq.
2 provides notice prior to **【October 1, 2010】** January 1, 2011 that the
3 person does not desire the status of licensee as a distributor pursuant to
4 P.L.2010, c.22 (C.54:39-101 et al.). A person who is licensed as an
5 importer, exporter, wholesaler, or jobber pursuant to R.S.54:39-1 et
6 seq. prior to **【October 1, 2010】** January 1, 2011 who declines
7 licensure pursuant to the “Motor Fuel Tax Act,” P.L.2010, c.22
8 (C.54:39-101 et seq.) shall be deemed to have terminated its license
9 as of the end of **【September 30, 2010】** December 31, 2010, shall
10 cease in-State activities covered by P.L.2010, c.22 (C.54:39-101 et
11 al.), and shall be subject to final report requirements of section 27
12 of P.L.2010, c.22 (C.54:39-127). If no notice is received by the
13 director prior to **【October 1, 2010】** January 1, 2011 declining
14 licensure, then that shall be deemed acceptance of the new license and
15 responsibilities pursuant to the “Motor Fuel Tax Act,” P.L.2010, c.22
16 (C.54:39-101 et seq.), and the person may continue in operation
17 except as provided by subsection f. of this section.

18 Notice may be given to a person who is licensed as an importer,
19 exporter, wholesaler, or jobber pursuant to R.S.54:39-1 et seq. prior
20 to **【October 1, 2010】** January 1, 2011 that the person will not be
21 granted a license pursuant to the “Motor Fuel Tax Act,” P.L.2010,
22 c.22 (C.54:39-101 et seq.). A person given that notice shall cease
23 activities covered by the license on or before **【October 1, 2010】**
24 January 1, 2011, shall be deemed to have terminated its license as of
25 **【September 30, 2010】** December 31, 2010, and shall be subject to
26 final report requirements of section 27 of P.L.2010, c.22 (C.54:39-
27 127).

28 d. A person engaged in the business of hauling, transporting or
29 delivering fuel who is a motor fuel transport licensee pursuant to
30 R.S.54:39-1 et seq. or who has registered a conveyance for
31 transporting fuel pursuant to R.S.54:39-41 prior to **【October 1,**
32 **2010】** January 1, 2011 shall be deemed a transporter and the
33 conveyance shall be deemed registered as a fuel conveyance
34 pursuant to the “Motor Fuel Tax Act,” P.L.2010, c.22 (C.54:39-101
35 et seq.) as of **【October 1, 2010】** January 1, 2011 and subject to
36 P.L.2010, c.22 (C.54:39-101 et al.) regarding transporters and fuel
37 conveyances unless the motor fuel transport licensee or person
38 having a registered conveyance provides notice prior to **【October 1,**
39 **2010】** January 1, 2011 that the person does not desire the status of
40 transporter or does not desire to have a registered fuel conveyance
41 pursuant to P.L.2010, c.22 (C.54:39-101 et al.). A person who is a
42 motor fuel transport licensee or who has a conveyance registered
43 pursuant to R.S.54:39-41 prior to **【October 1, 2010】** January 1,
44 2011 who declines status pursuant to the “Motor Fuel Tax Act,”
45 P.L.2010, c.22 (C.54:39-101 et seq.) shall be deemed to have
46 terminated its motor fuel transport license and its conveyance
47 registration, as applicable, as of the end of **【September 30, 2010】**

1 December 31, 2010, and shall cease in-State activities covered by
2 P.L.2010, c.22 (C.54:39-101 et al.). If no notice is received by the
3 director prior to ~~【October 1, 2010】~~ January 1, 2011 declining
4 licensure, or registration as applicable, then that shall be deemed
5 acceptance of the new license, or registration as applicable, and
6 acceptance of transporter responsibilities pursuant to the “Motor Fuel
7 Tax Act,” P.L.2010, c.22 (C.54:39-101 et seq.)

8 Notice may be given to a person who is engaged in the business of
9 hauling, transporting or delivering fuel who is a motor fuel
10 transport licensee pursuant to R.S.54:39-1 or who has registered a
11 conveyance for transporting fuel pursuant to R.S.54:39-41 that the
12 person will not be granted a license pursuant to the “Motor Fuel Tax
13 Act,” P.L.2010, c.22 (C.54:39-101 et seq.). A person given that
14 notice shall cease activities covered by the license on or before
15 January 1, 2011 and, shall be deemed to have terminated its license
16 as of December 31, 2010 and shall be subject to final report
17 requirements of section 27 of P.L.2010, c.22 (C.54:39-127).

18 e. All other persons licensed pursuant to R.S.54:39-1 et seq.
19 shall apply to the director for an appropriate license, as determined
20 by the director and subject to such rules as the director may
21 prescribe, pursuant to this section on or before ~~【October 1, 2010】~~
22 January 1, 2011 or cease activities requiring a license under this
23 section. If a person accepts a new license and responsibilities that
24 license entails pursuant to the “Motor Fuel Tax Act,” P.L.2010, c.22
25 (C.54:39-101 et seq.), the person may continue in operation except
26 as provided by subsection f. of this section.

27 f. A person required to file a bond or other surety with the
28 director pursuant to the “Motor Fuel Tax Act,” P.L.2010, c.22
29 (C.54:39-101 et seq.) shall have until ~~【October 31, 2010】~~ January
30 31, 2011, to establish, reestablish or transfer that surety to the
31 person’s new license status pursuant to P.L.2010, c.22 (C.54:39-101
32 et al.). A person who does not meet those bonding requirements by
33 ~~【October 31, 2010】~~ January 31, 2011 shall cease activities covered
34 by the license on ~~【October 31, 2010】~~ January 31, 2011.

35 g. Licenses issued pursuant to R.S.54:39-1 et seq. and not
36 continued pursuant to this section shall be invalid as of ~~【October 1,~~
37 2010】 January 1, 2011. Licenses accepted pursuant to this section
38 in place of the license issued pursuant to R.S.54:39-1 et seq. shall
39 be valid until the expiration date of the license originally issued
40 pursuant to R.S.54:39-1 et seq.
41 (cf: P.L.2010, c.22, s.51)

42
43 29. Section 57 of P.L.2010, c.22 is amended to read as follows:

44 57. This act shall take effect immediately, provided however
45 that sections 1 through 27, 29 through 49, and 53 through 56 shall
46 remain inoperative until ~~【October 1, 2010】~~ January 1, 2011.
47 (cf: P.L.2010, c.22, s.57)

1 30. This act shall take effect immediately.

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STATEMENT

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6 This bill amends the “Motor Fuel Tax Act,” P.L.2010, c.22, to
7 make a number of technical amendments that will allow more
8 effective implementation of the new taxation system and to
9 postpone the effective date of the new law for three months to allow
10 time for necessary re-licensing and other administrative issues.

11 P.L.2010, c. 22 changed the point of taxation of diesel fuel from
12 the retail level to the level in the petroleum distribution chain at
13 which it is removed from the bulk fuel storage and distribution
14 system of refineries, pipelines, ships and barges, at a terminal. That
15 law also changed the point of taxation of gasoline from the
16 distributor level to the terminal level. The new motor fuel tax
17 exploits the federal dyed fuel regulations implemented since the
18 1990s to make this shift in the point of taxation with the effect of
19 decreasing the number of taxpayers and decreasing the volume of
20 paperwork in administering the tax.

21 This bill, in addition to making a number of purely technical
22 corrections to legal reference, eliminates some internal conflicts and
23 inconsistencies in references to licensing requirements and
24 licensing fees.

25 The amendments assure that heating oil dealers are not required
26 to be licensed as motor fuel tax dealers. Heating oil is not a
27 commercially viable motor fuel, and absent these amendments
28 approximately 500 heating oil dealers would be required to be
29 licensed as distributors, defeating one of the simplification goals of
30 the original legislation.

31 The amendments also clarify that fuel transporters are not among
32 those required to precollect the motor fuel tax, which would
33 otherwise conflict with other provisions of the law, also conflicting
34 with the simplification goals of the original legislation.

35 The amendments correct an error in the original act which
36 exempted aviation grade kerosene as a taxable fuel. It is clear in
37 the original act that aviation *gasoline* is a taxable fuel product,
38 taxable on its initial importation and sale in the State, that becomes
39 exempt based on its use for powering aircraft. The amendments
40 provide this same consistent treatment for aviation grade kerosene,
41 which is exempt from motor fuel taxation if used in aircraft.

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46 Amends motor fuel tax act to defer implementation for three
47 months and make technical corrections.