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NOTICE

ALL LICENSED DISTRIBUTORS OF MOTOR FUEL IN ALABAMA

ALABAMA TERMINAL EXCISE TAX LICENSING PROCEDURES

On June 9, 2011, Governor Robert Bentley signed into law Act 2011-565 with the effective date of this Act being October 1, 2012. This Act changes the level of taxation from the distributor level to the terminal rack or upon import into Alabama.

A new application and bond form will have to be submitted in order to be licensed in accordance with this Act. The bond amount for distributors, suppliers, and permissive suppliers who are active Licensed Distributors at the time that this Act goes into effect will remain at the current bond amount. The license types and license fees are Supplier (\$200), Permissive Supplier (no fee), Distributor (\$50), Importer (\$100), Exporter (\$100), Terminal Operator (no fee), Blender (no fee), Aviation Fuel Purchaser (\$200), and Transporter (\$50).

The license descriptions are as follows:

A supplier is someone who is a position holder and owns motor fuel in a terminal and who is registered under Section 4101 of the Internal Revenue Code for transactions in motor fuel in the bulk transfer/terminal system. A Supplier may also act as a terminal operator, permissive supplier, distributor, importer, exporter, blender, motor fuel transporter, or aviation fuel purchaser without securing a separate license but who is subject to all other conditions, requirements, and liabilities imposed on those license holders.

A permissive supplier who may also act as a terminal operator, supplier, distributor, importer, exporter, blender, motor fuel transporter, or aviation fuel purchaser without securing a separate license but who is subject to all other conditions, requirements, and liabilities imposed on those license holders.

A distributor is someone who will purchase taxable motor fuel for resale within this state from a licensed terminal supplier. A licensed distributor will be allowed to defer the tax payment to the licensed supplier and will receive a discount from the supplier.

An importer who wishes to cause motor fuel to be delivered into this state on his or her behalf, for his or her own account, or for resale to a purchaser in this state from another state in a fuel transport truck or railcar. A licensed importer will be allowed to defer the tax payment to the licensed permissive supplier and will receive a discount from the permissive supplier.

A terminal operator engaged in business in this state and who has been issued a Terminal Control Number (TCN) by the Internal Revenue Service.

An exporter is someone who will export product to another state and who will either pay the destination state tax or the Alabama tax. If the Alabama excise tax is paid, then a licensed exporter is allowed to request a refund.

A motor fuel transporter who transports taxable motor fuel by whatever manner whether the person is engaged for hire in interstate or intrastate commerce. Transporters include common carriers and distributors that transport their own product.

A blender is someone who blends motor fuel outside the bulk transfer/terminal system.

An aviation fuel purchaser is someone who wishes to purchase aviation fuel at the aviation tax rates instead of the gasoline and diesel fuel tax rates for use in an aircraft.

The license application is now available and can be sent electronically through My Alabama Taxes (MAT) by choosing “Request Motor Fuels Excise License” at <https://myalabamataxes.alabama.gov>. We would like to encourage you to send the application electronically because there are rules in place for the electronic version that will help you in completing the application correctly.

If you choose to complete a paper version of the application, then the application will be available at <http://www.revenue.alabama.gov/motorfuels/racktax.html>. You must mail in the paper version of the application with original signature.

When submitting the license application, you must also remit the license fee(s) either by paying the fee(s) through MAT, ACH credit (TXP Code will be 05120), or by check noting on the check “TXT License Fee”. Once the application is approved a bond form showing your bond amount will be mailed to you. Since the new bond will not be effective until October 1, 2012, you need to make sure that your current bond remains in effect until October 1st. When the bond is received and all fee(s) are paid, we will mail the license(s) to you. The effective date of the license(s) will be October 1, 2012.

If you have any questions pertaining to this matter, please contact this office at the address or telephone number shown below.

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