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Commissioner

State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
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Deputy Commissioner

NOTICE

ALL LICENSED DISTRIBUTORS OF MOTOR FUEL IN ALABAMA

ALABAMA TERMINAL EXCISE TAX ACT

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. The point of taxation will be imposed as follows:

- a) When removed: from the bulk transfer/terminal system in this state; from a bulk transfer/terminal system outside this state for delivery into this state; and upon sale or transfer in a terminal in this state to a person not licensed as a supplier;
- b) At the time motor fuel is imported into this state, except when importation is by bulk transfer;
- c) Tax is collected from the supplier, as shown on terminal records, when fuel is removed from a terminal or refinery in this state;
- d) Tax applies to fuel blended in this state, and is calculated on the difference between the total quantity blended and the quantity used for blending but previously taxed;
- e) Terminal operators are jointly and severally liable with the supplier for fuel removed from a terminal in this state when removal is on account of any unlicensed supplier.

A new application and bond form will have to be submitted 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). (Transporters include common carriers and distributors that transport their own product). A notice will be sent when it is time for a new application to be completed in order to obtain your new license(s).

A set of Frequently Asked Questions (FAQ's) regarding the new point of taxation has been developed and can be found on the department's website at <http://www.revenue.alabama.gov/motorfuels/racktax.html>.

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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