

810-8-1-.25.02 Permit Issued to Pay Lubricating Oil Tax Directly to the Department

(1) Any person, distributor, storer, retail dealer, user, or user who sells to others, unable to determine at the time of purchase, transport, delivery, storage, or sale of lubricating oil the applicability of the additional excise tax levied in § 40-17-220 may apply for a lubricating oil permit. This lubricating oil permit will allow the holder to purchase lubricating oil free of all lubricating oil excise tax and pay such taxes directly to the department.

(2) Application for a lubricating oil permit will be made upon forms prepared by the department. Upon receipt and approval of the application by the department, a numbered permit will be issued to the applicant.

(3) The lubricating oil permit holder may purchase all lubricating oil products tax free and is not required to remit to the seller the excise tax levied in §40-17-171 or the additional excise tax levied in § 40-17-220. The lubricating oil permit holder must furnish to each vendor from whom lubricating oil is purchased the assigned permit number.

(4) The lubricating oil permit holder is required to file a lubricating oil excise tax return for each month on a form prescribed by the department. A return must be filed even if no lubricating oil is purchased, distributed, sold, used, or if no tax is due. The return and payment of any tax shown as due must be filed and remitted to the department on or before the twentieth (20th) day of each calendar month for the preceding calendar month in which the tax accrues.

(5) Tax is deemed to have been collected at the time of the sale irrespective of when payment for the amount of the invoice including the tax is received by the lubricating oil permit holder. Failure to collect the tax from the purchaser does not relieve the lubricating oil permit holder from this liability to pay the department the amount of the tax to be collected.

(6) The lubricating oil permit holder must keep records to substantiate any item appearing on the monthly lubricating oil tax return. Records must be maintained in a form satisfactory to the department and made available for inspection or audit by the department. Records must be retained by the lubricating oil permit holder for a period not less than three years.

(7) The lubricating oil permit holder conducting business at different locations requires only one permit, if monthly lubricating tax returns are prepared at one central location.

(8) A lubricating oil permit holder claiming sales or use of lubricating oil exempt from the additional excise tax as enumerated in § 40-17-220(c), (1) through (8) must exercise reasonable care to assure that the lubricating oil is used for the exempt

purpose. Each exempt sale of lubricating oil must be supported by a copy of the original invoice showing invoice number, date, number of gallons, and the correct name and address of the purchaser. A user of lubricating oil must keep records substantiating the exempt use.

(9) The lubricating oil permit is a personal privilege and is not transferable. The permit may be cancelled by the department upon notice to the holder thereof in accordance with the provisions of § 40-2A-8.

(10) Vendors of lubricating oil must maintain a file of lubricating oil permit holders' names and numbers to substantiate tax free sales of lubricating oil to lubricating oil permit holders. Vendors selling tax free lubricating oil to non-lubricating oil permit holders could incur liability for the tax due.

(11) Violations of these regulations carry the same penalties as are prescribed for violations of the law itself.

Author: Bonita Calhoun
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