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**Transportation Committee**

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**HB 2974**

**Brief Description:** Modifying fuel tax payment provisions.

**Sponsors:** Representatives Cooper, Hankins, G. Simpson, Wood and Chase.

**Brief Summary of Bill**

- Moves the electronic fuel tax payment date from the 10th day of the second month after month of sale to the 26th day of the first month after month of sale.
- The requirement that allows the distributor to pay a supplier up to two days before the end of the 1st month after the month of sale is removed.

**Hearing Date:** 2/9/04

**Staff:** Jerry Long (786-7306).

**Background:**

Prior to 1998, motor vehicle fuel taxes and special fuel taxes were due on the next to last business day of the month following the month of sale. In 1998, the Legislature enacted the "tax at the rack" fuel tax collection method. As part of the legislation, suppliers were made responsible for the payment of the tax. The date to submit the fuel tax report is the 25th day of the month following the month of sale, but the payment date for suppliers remitting electronic payment was changed to the 10th day of the 2nd month following the month of sale.

In addition, distributors paying by electronic funds transfer, could elect to pay the suppliers the tax on fuel purchases two days before the last business day of the following month

When paying by electronic funds transfer, distributors purchasing motor vehicle fuel can elect to pay the suppliers the fuel tax in the following month, two days before the last business day.

Currently, the payment date for those businesses that do not remit payment by electronic funds transfer is the 25th day of each month following the month of sale.

**Summary of Bill:**

Motor vehicle fuel taxes and special fuel taxes are due the 26th day of the month following the month of sale when remitting payment by electronic funds transfer. The due date for filing fuel tax reports and not using electronic funds transfer remains at the 25th day after the month of sale.

If the payment date falls on a Saturday, Sunday, or a legal holiday, the next business day will be the payment date.

The provision that allows a distributor to pay the fuel tax to a supplier two days before the last business day of the 1st month following the month of sale is removed.

Repeals obsolete statute relating to liability, payment and report of taxes due before March 2000.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2004.