

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Senator Steve Bell**

A BILL ACT 348 OF 1991
SENATE BILL 231

For An Act To Be Entitled

8 "AN ACT TO PROVIDE THAT A CITY OR COUNTY USING A
9 COMPUTERIZED FUEL DISPENSING SYSTEM MAY STORE TAXABLE AND
10 NONTAXABLE FUEL IN THE SAME TANK; AND FOR OTHER PURPOSES."

11

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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14 SECTION 1. Arkansas Code 26-56-217 is hereby amended to read as
15 follows:

16 "26-56-217. Separate storage tanks for taxable distillate special fuels
17 and for tax-free storage.

18 (a)(1) All users, except suppliers of distillate special fuels who
19 maintain their own storage tanks in the state, are required to have a separate
20 storage tank for taxable distillate special fuels, which tanks are to be
21 physically separate and apart from any other tanks or fueling units, and to
22 indicate it by placing thereon in a conspicuous place the words "TAX-PAID
23 FUELS" in letters not less than five inches (5") high.

24 (2) Suppliers are required to collect the tax on all distillate
25 special fuels delivered into those tanks.

26 (b)(1) All users who have facilities for storing distillate special
27 fuels intended for other than highway use and which facilities are suitable to
28 fuel motor vehicles using distillate special fuels, except those facilities
29 used for residential purposes shall mark the storage facilities with the words
30 "NOT FOR MOTOR VEHICLE USE" in letters not less than five inches (5") high,
31 and suppliers may deliver into such storage without collecting the tax levied
32 in this subchapter.

33 (2) If users do not provide such tanks, then all distillate
34 special fuels delivered by a supplier into storage tanks suitable for fueling
35 motor vehicles becomes taxable, provided, however, that any city or county
36 using a computerized fuel dispensing system that will automatically record

1 each transaction as to pump operator and specific vehicle to which the fuel is
2 dispensed may have taxable and nontaxable distillate special fuels delivered
3 into the same tank. The distributor shall collect the tax on the taxable
4 portion of each purchase based upon the sworn statement of the purchaser as to
5 the amount of taxable fuel purchased. Each city or county shall file a report
6 with the Director of the Department of Finance and Administration accounting
7 for the taxable and nontaxable fuel used and miles driven by each vehicle
8 which requires taxable fuel in such a manner, at such time, and on such forms
9 as shall be prescribed by the Director. The Director may promulgate
10 regulations to establish a system to periodically reconcile the taxable fuel
11 purchased and actual taxable fuel used by the city or county.

12 (3) However, where a user has one (1) or more storage tanks used
13 for the storage of distillate special fuels within the meaning of this
14 chapter, and the user does not own, possess, lease, or otherwise operate a
15 motor vehicle licensed or required to be licensed for use upon the public
16 highway and capable of using said fuel, the requirement for marking such
17 storage facilities "NOT FOR MOTOR FUEL USE" shall be waived.

18 (c) Nothing in this section shall be construed to amend or change the
19 meaning of any other section of this chapter."
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21 SECTION 2. All provisions of this act of a general and permanent nature
22 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
23 Revision Commission shall incorporate the same in the Code.
24

25 SECTION 3. If any provision of this act or the application thereof to
26 any person or circumstance is held invalid, such invalidity shall not affect
27 other provisions or applications of the act which can be given effect without
28 the invalid provision or application, and to this end the provisions of this
29 act are declared to be severable.
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31 SECTION 4. All laws and parts of laws in conflict with this act are
32 hereby repealed.
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35 APPROVED: 3-5-91

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