

HOUSE BILL No. 2910

By Committee on Taxation

2-24

9 AN ACT concerning motor vehicle fuel taxation; relating to exempt
10 transactions; amending K.S.A. 2003 Supp. 79-3408 and repealing the
11 existing section.

12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2003 Supp. 79-3408 is hereby amended to read as
15 follows: 79-3408. (a) A tax per gallon or fraction thereof, at the rate com-
16 puted as prescribed in K.S.A. 79-34,141, and amendments thereto, is
17 hereby imposed on the use, sale or delivery of all motor vehicle fuels or
18 special fuels which are used, sold or delivered in this state for any purpose
19 whatsoever.

20 (b) Every retail pump for motor-vehicle fuels shall be conspicuously
21 labeled to show the content and percentage of any ethyl alcohol or other
22 alcohol combined or alone in excess of 1% by volume.

23 (c) Unless otherwise specified in K.S.A. 79-3408c, and amendments
24 thereto, the incidence of this tax is imposed on the distributor of the first
25 receipt of the motor fuel and such taxes shall be paid but once. Such tax
26 shall be computed on all motor-vehicle fuels or special fuels received by
27 each distributor, manufacturer or importer in this state and paid in the
28 manner provided for herein, except that an allowance of 2.5% shall be
29 made and deducted by the distributor to cover all ordinary losses which
30 may have resulted from physical loss while handling such motor-vehicle
31 fuels or special fuels. No such allowance shall be made on any motor-
32 vehicle fuel or special fuel exported from the state or sold to the United
33 States of America or any of its agencies or instrumentalities as are now
34 or hereinafter exempt by law from liability to state taxation. No such
35 allowance shall be made for any motor-vehicle fuel or special fuel sold or
36 disposed of to a consumer in tank car, transport or pipeline lots.

37 (d) No tax is hereby imposed upon or with respect to the following
38 transactions:

39 (1) The sale or delivery of motor-vehicle fuel or special fuel for export
40 from the state of Kansas to any other state or territory or to any foreign
41 country.

42 (2) The sale or delivery of motor-vehicle fuel or special fuel to the
43 United States of America and such of its agencies as are now or hereafter

1 exempt by law from liability to state taxation.

2 (3) The sale or delivery of motor-vehicle fuel or special fuel to a
3 contractor for use in performing work for the United States or those
4 agencies of the United States above mentioned, provided such contractor
5 has in effect with the United States or any such agency a cost-plus-a-
6 fixed-fee contract covering the work.

7 (4) The sale or delivery of motor-vehicle fuel or special fuel which is
8 aviation fuel.

9 (5) The first sale or delivery of motor-vehicle fuel or special fuel from
10 a refinery, pipeline terminal, pipeline tank farm or other place to a duly
11 licensed distributor who in turn resells to another duly licensed
12 distributor.

13 (6) The sale or delivery of special fuel which is indelibly dyed in ac-
14 cordance with regulations prescribed pursuant to 26 U.S.C. 4082 and
15 such special fuel is only used for nonhighway purposes.

16 (7) *The sale of kerosene used as a fuel only to power antique steam*
17 *motor vehicles first manufactured prior to 1940.*

18 (e) Each distributor, manufacturer, importer, exporter or retailer
19 shall make full reports and furnish such further information as the direc-
20 tor may require with reference to all transactions upon which no tax is to
21 be paid.

22 Sec. 2. K.S.A. 2003 Supp. 79-3408 is hereby repealed.

23 Sec. 3. This act shall take effect and be in force from and after its
24 publication in the statute book.