

Senate Bill No. 417

(By Senators Snyder and Blair)

[Introduced February 5, 2015; referred to the Committee on Finance.]

**FISCAL
NOTE**

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4 A BILL to amend and reenact §11-14C-23 of the Code of West Virginia, 1931, as amended, relating
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9 to removal of certain tax discounts from motor fuel excise tax.
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11 *Be it enacted by the Legislature of West Virginia:*

12 That §11-14C-23 of the Code of West Virginia, 1931, as amended, be amended and reenacted
13 to read as follows:

14 **ARTICLE 14C. MOTOR FUEL EXCISE TAX.**

15 **§11-14C-23. Deductions and discounts allowed a supplier and a permissive supplier when**
16 **filing a return.**

17 (a) The supplier or permissive supplier may deduct from the next monthly return those tax
18 payments that were not remitted for the previous month to the supplier or permissive supplier by any
19 licensed distributor or any licensed importer who removed motor fuel on which the tax is due from
20 the supplier's or permissive supplier's terminal. The licensed supplier or permissive supplier is
21 eligible to take this deduction if the licensed supplier or permissive supplier notifies the state within
22 ten business days after a return is due of any licensed distributor or importer who did not pay to the

1 supplier or permissive supplier the tax due by the time the supplier or permissive supplier filed the
2 monthly return: *Provided*, That when a licensed distributor or licensed importer fails to remit the
3 tax to the licensed supplier or permissive supplier, the licensed supplier or permissive supplier is not
4 eligible to take the deduction for any tax payments that accrue after the ten business day period
5 referenced above for delinquent distributors or importers. The notice shall be transmitted to the state
6 in the form required by the commissioner. A supplier or permissive supplier is not liable for the tax
7 a licensee owes but fails to pay. If a licensee pays to a supplier or permissive supplier the tax owed,
8 but the payment occurs after the supplier or permissive supplier has deducted the amount of the tax
9 on a return, the supplier or permissive supplier shall remit the payment to the commissioner with the
10 next monthly return filed subsequent to receipt of the tax.

11 (b) A supplier or permissive supplier who timely files a return with the payment due may
12 deduct, from the amount of tax payable with the return, an administrative discount of one tenth of
13 one percent of the amount of tax payable to this state, not to exceed \$5,000 per month.

14 ~~(c) For sales from permissive suppliers or suppliers to licensed distributors, a supplier or~~
15 ~~permissive supplier shall deduct three fourths of one percent of the tax due from the licensed~~
16 ~~distributor as a discount to that licensed distributor. The discount given to the licensed distributor~~
17 ~~shall be reported on the supplier or the permissive supplier's next monthly return. This discount only~~
18 ~~applies to sales from permissive suppliers and suppliers to licensed distributors, and shall not apply~~
19 ~~to any other transactions, including, but not limited to, licensed distributor to licensed distributor~~
20 ~~transactions: *Provided*, That if the permissive supplier and/or supplier is also a licensed distributor,~~
21 ~~this discount shall not apply.~~

NOTE: The purpose of this bill is to remove certain discounts from the motor fuel excise tax.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.