

October 26, 2016

NJ PETROLEUM GROSS RECEIPTS TAX RATE INCREASE- UPDATE

The State of New Jersey is raising the NJ Petroleum Gross Receipts Tax (PGRT).

It is to be increased by 12.85% of the surveyed average pre-tax price for fuel in the state as of 7-1-2016. This increase will be on top of the \$0.0400 per gallon currently being charged for the NJ PGRT.

GASOLINE

For gasoline, the increase to the PGRT will take place on Nov. 1st, raising the tax on gasoline by an estimated \$0.2260 per gallon (final rate pending announcement from NJ Division of Taxation). This rate increase will be in addition to the \$0.0400/gal NJGRT previously in effect. The rate is reported to be adjustable, changing as frequently as quarterly, as determined by periodic surveys of the statewide pricing by the Board of Public Utility. Additionally, there is language in the bill indicating that for gasoline sales, the pre-existing \$0.0400/gal PGRT rate will be raised to \$0.0800/gal on or after 7-1-2017, effectively raising the tax an additional \$0.0400/gal.

For resellers only, this increase will also be applied to 'floor stocks', fuel volumes held in inventory. Resellers will be required to- (1)take their inventory volume as of the close of the first business day after the enactment, (2)report their inventory to the state within 45 days on forms yet to be defined, and then (3) remit to the state the increased tax levied on their fuel in inventory by 2-1-2017. Tanks over 10,000 gallons are to exempt the first 400 gallons and similarly the first 200 gallons for smaller tanks.

NOTE: NJ Tax Div. of Taxation has confirmed that the floor tax is only to be applied to fuel resellers. Previous discussions of the floor tax with the NJ Tax Div. of Taxation had indicated that it would be applied to all holders of inventory, but that point has now been clarified.

HIGHWAY DIESEL

The increase on the PGRT for 'clear' highway diesel will have been broken into 2 parts- applying 70% of the increase (estimated at \$0.1600/gal.) on Jan. 1 2017, and then the remaining 30% of the increase (estimated at \$0.0700/gal.) on Jul. 1 2017. Details are pending from the state Tax Dept. Stocks are expected to be 'floor taxed' at both implementation dates. This rate will also be adjusted as frequently as quarterly thereafter.

OFF ROAD DIESEL & HEATING OIL

NJ PGRT will no longer apply to most uses of off-road diesel (including- farm equipment, construction equipment, generators and most commercial fishing vessels). The exemption of commercial heating oil from NJ PGRT is pending confirmation from the state at this writing. Residential heating oil uses will continue to be exempted.

OTHER PETROLEUM PRODUCTS

The law raises the tax on other petroleum products like lube oils to 7% from 2.75%

REFUNDS

It is expected that operators of exempted systems like commercial fishing vessels, ambulances etc. that use gasoline or clear ULSD will be required to pay the new PGRT taxes at time of purchase and then later file with the state for a refund of the PGRT.

We are awaiting further clarifications from the NJ Dept. of Taxation and will update this page as new information is made available. Many thanks to the people at the NJ Division of Taxation people & The Fuel Merchants Association of New Jersey for their efforts keep us informed on the progress and details of this new legislation.

COPY OF THE LAW

38 ¹[9.] ²[7.¹] 12.² Section 2 of P.L.1990, c. 42 (C.54:15B-2) is
39 amended to read as follows:

40 2. For the purposes of this act:

41 "Aviation fuel" means aviation gasoline or aviation grade
42 kerosene or any other fuel that is used in aircraft.

43 "Aviation gasoline" means fuel specifically compounded for use
44 in reciprocating aircraft engines.

45 "Aviation grade kerosene" means any kerosene type jet fuel
46 covered by ASTM Specification D 1655 or meeting specification
47 MIL-DTL-5624T (Grade JP-5) or MIL-DTL-83133E (Grade JP-8).

1 "Blended fuel" means a mixture composed of gasoline, diesel
2 fuel, kerosene or blended fuel and another liquid, including blend
3 stock other than a de minimis amount of a product such as
4 carburetor detergent or oxidation inhibitor, that can be used as a
5 fuel in a highway vehicle. "Blended fuel" includes but is not
6 limited to gasohol, biobased liquid fuel, biodiesel fuel, ethanol,
7 methanol, fuel grade alcohol, diesel fuel enhancers and resulting
8 blends.

9 "Company" includes a corporation, partnership, limited
10 partnership, limited liability company, association, individual, or
11 any fiduciary thereof.

12 "Diesel fuel" means a liquid that is commonly or commercially
13 known or sold as a fuel that is suitable for use in a diesel-powered
14 highway vehicle. A liquid meets this requirement if, without
15 further processing or blending, the liquid has practical and
16 commercial fitness for use in the propulsion engine of a diesel-
17 powered highway vehicle. "Diesel fuel" includes biobased liquid

18 fuel, biodiesel fuel, and number 1 and number 2 diesel.

19 "Director" means the Director of the Division of Taxation in the
20 Department of the Treasury.

21 "First sale of petroleum products within this State" means the
22 initial sale of a petroleum product delivered to a location in this
23 State. A "first sale of petroleum products within this State" does
24 not include a book or exchange transfer of petroleum products if
25 such products are intended to be sold in the ordinary course of
26 business.

27 "Gasoline" means all products commonly or commercially
28 known or sold as gasoline that are suitable for use as a motor fuel.
29 "Gasoline" does not include products that have an ASTM octane
30 number of less than 75 as determined by the "motor method,"
31 ASTM D2700-92. The term does not include racing gasoline or
32 aviation gasoline, but for administrative purposes does include fuel
33 grade alcohol.

34 "Gross receipts" means all consideration derived from the first
35 sale of petroleum products within this State except sales of:

36 a. asphalt;

37 b. petroleum products sold pursuant to a written contract
38 extending one year or longer to nonprofit entities qualifying under
39 subsection (b) of section 9 of P.L.1966, c.30 (C.54:32B-9) as
40 evidenced by an invoice in form prescribed by subsection b. of
41 section 3 of P.L.1991, c.19 (C.54:15B-10);

42 c. petroleum products sold to governmental entities qualifying
43 under subsection (a) of section 9 of P.L.1966, c.30 (C.54:32B-9) as
44 evidenced by an invoice in form prescribed by subsection b. of
45 section 3 of P.L.1991, c.19 (C.54:15B-10); and

46 d. polymer grade propylene used in the manufacture of
47 polypropylene.

1 "Highway fuel" means gasoline, blended fuel that contains
2 gasoline or is intended for use as gasoline, liquefied petroleum gas,
3 and diesel fuel, blended fuel that contains diesel fuel or is intended
4 for use as diesel fuel, and kerosene, other than aviation grade
5 kerosene.

6 "Kerosene" means the petroleum fraction containing
7 hydrocarbons that are slightly heavier than those found in gasoline
8 and naphtha, with a boiling range of 149 to 300 degrees Celsius.

9 "Petroleum products" means refined products made from crude
10 petroleum and its fractionation products, through straight
11 distillation of crude oil or through redistillation of unfinished

12 derivatives, but shall not mean the products commonly known as
13 number 2 heating oil, number 4 heating oil, number 6 heating oil,
14 kerosene and propane gas to be used exclusively for residential use.

15 "Quarterly period" means a period of three calendar months
16 commencing on the first day of January, April, July or October and
17 ending on the last day of March, June, September or December,
18 respectively.

19 ["Retail gasoline price survey" means a Statewide representative
20 random sample of retail gasoline prices conducted by the Board of
21 Public Utilities, Office of the Economist, or its successor, that shall
22 be completed for the month of November and May of each year.]

23 "Retail price per gallon" means the price [posted by gasoline]
24 charged by retailers in the State for [unleaded regular gasoline] a
25 gallon of the petroleum product dispensed into the fuel tanks of
26 motor vehicles without State or federal tax included.

27 "Unleaded regular gasoline" means gasoline of the octane rating
28 equal to the lowest octane rated gasoline offered for sale at a
29 majority of the gasoline retailers in the State.

30 ¹ "2016 implementation date" means the later of ²[September]
31 November² 1, 2016 or the 15th day after the date of enactment of
32 P.L. , c. (pending before the Legislature as this bill).¹
33 (cf: P.L.1991, c.181, s.1)

34
35 ¹[10.] ²[8.¹] 13.² Section 7 of P.L.1991, c.181 (C.54:15B-2.1)
36 is amended to read as follows:

37 7. a. "Gross receipts," as otherwise defined by section 2 of
38 P.L.1990, c.42 (C.54:15B-2), shall not include receipts from sales
39 of petroleum products used by marine vessels engaged in interstate
40 or foreign commerce and ¹receipts from¹ sales of aviation fuels
41 used by common carriers in interstate or foreign commerce other
42 than the "burnout" portion which shall be taxable pursuant to rules
43 promulgated by the director.

44 b. ¹[Motor fuel] Highway fuel¹ used for the following purposes
45 is exempt from the tax imposed by section 3 of P.L.1990, c.42
46 (C.54:15B-3), and a refund of the tax imposed by that section may

1 be claimed by the consumer providing proof the tax has been paid
2 and no refund has been previously issued:

3 (1) autobuses while being operated over the highways of this
4 State in those municipalities to which the operator has paid a

5 monthly franchise tax for the use of the streets therein under the
6 provisions of R.S.48:16-25 and autobuses while being operated over
7 the highways of this State in a regular route bus operation as
8 defined in R.S.48:4-1 and under operating authority conferred
9 pursuant to R.S.48:4-3, or while providing bus service under a
10 contract with the New Jersey Transit Corporation or under a
11 contract with a county for special or rural transportation bus service
12 subject to the jurisdiction of the New Jersey Transit Corporation
13 pursuant to P.L.1979, c.150 (C.27:25-1 et seq.), and autobuses
14 providing commuter bus service which receive or discharge
15 passengers in New Jersey. For the purpose of this paragraph
16 "commuter bus service" means regularly scheduled passenger
17 service provided by motor vehicles whether within or across the
18 geographical boundaries of New Jersey and utilized by passengers
19 using reduced fare, multiple ride, or commutation tickets and shall
20 not include charter bus operations for the transportation of enrolled
21 children and adults referred to in subsection c. of R.S.48:4-1 and
22 "regular route service" does not mean a regular route in the nature
23 of special bus operation or a casino bus operation;

24 (2) agricultural tractors not operated on a public highway;

25 (3) farm machinery;

26 (4) ambulances;

27 (5) rural free delivery carriers in the dispatch of their official
28 business;

29 (6) vehicles that run only on rails or tracks, and such vehicles as
30 run in substitution therefor;

31 (7) highway motor vehicles that are operated exclusively on
32 private property;

33 (8) motor boats or motor vessels used exclusively for or in the
34 propagation, planting, preservation and gathering of oysters and
35 clams in the tidal waters of this State;

36 (9) motor boats or motor vessels used exclusively for
37 commercial fishing;

38 (10) motor boats or motor vessels, while being used for hire for
39 fishing parties or being used for sightseeing or excursion parties;

40 (11) fire engines and fire-fighting apparatus;

41 (12) stationary machinery and vehicles or implements not
42 designed for the use of transporting persons or property on the
43 public highways;

44 (13) heating and lighting devices;

45 (14) motor boats or motor vessels used exclusively for Sea Scout

46 training by a duly chartered unit of the Boy Scouts of America; and

1 (15) emergency vehicles used exclusively by volunteer first-aid
2 or rescue squads.

3 (cf: P.L.1991, c.181, s.7)

4

5 ¹[11.] ²[9.1] 14.² Section 3 of P.L.1990, c.42 (C.54:15B-3) is
6 amended to read as follows:

7 3. a. (1) (a) There is imposed on each company which is
8 engaged in the refining or distribution, or both, of petroleum
9 products other than highway fuel and aviation fuel and which
10 distributes such products in this State a tax at the rate of [two and
11 three-quarters percent (2 3/4%)] seven percent of its gross receipts
12 derived from the first sale of petroleum products within this State
13 and there is imposed on each company which is engaged in the
14 refining or distribution, or both, of highway fuel a tax at the rate of
15 ¹[12.5] 12.85¹ percent, as adjusted pursuant to subsection c. of this
16 section, of its gross receipts derived from the first sale of those
17 products within this State. [; provided however, that the]

18 (b) The applicable tax rate for [fuel oils, aviation fuels and
19 motor fuels subject to tax under R.S.54:39-1 et seq.] gasoline,
20 blended fuel that contains gasoline or is intended for use as
21 gasoline, and liquefied petroleum gas, which are taxed as a highway
22 fuel pursuant to subparagraph (a) of this paragraph, shall be
23 converted to a cents-per-gallon rate, rounded to the nearest tenth of
24 a cent, [that shall be calculated by the use of] and adjusted
25 quarterly by the director, effective on July 1, October 1, January 1,
26 and April 1, based on the average retail price per gallon of unleaded
27 regular gasoline [in December 1990,] in the State, as determined in
28 [a] the most recent survey of the retail price per gallon of gasoline
29 [prices] that [included] includes a Statewide representative
30 random sample conducted [in December 1990 for that month] by
31 the Board of Public Utilities, Office of the Economist, [and shall be
32 effective for the tax due for months ending after that date; and] or
33 its successor.

34 (c) The cents-per-gallon rate determined pursuant to
35 subparagraph (b) of this paragraph shall not be less than the rate
36 determined for the ¹[quarter beginning] average retail price per
37 gallon of unleaded gasoline in the State on¹ July 1, 2016.

38 (d) The applicable tax rate for diesel fuel, blended fuel that
39 contains diesel fuel or is intended for use as diesel fuel, and
40 kerosene, other than aviation grade kerosene, which are taxed as a
41 highway fuel pursuant to subparagraph (a) of this paragraph, shall
42 be converted to a cents-per-gallon rate, rounded to the nearest tenth
43 of a cent, and adjusted quarterly by the director, effective on July 1,
44 October 1, January 1, and April 1, based on the average retail price
45 per gallon of number 2 diesel in the State, as determined in the most
46 recent survey of retail diesel fuel prices that includes a Statewide

1 representative random sample conducted by the Board of Public
2 Utilities, Office of the Economist, or its successor.

3 Notwithstanding the provisions of subparagraph (a) of this
4 paragraph to the contrary, for the period from ¹[July 1, 2016] the
5 2016 implementation date¹ through December 31, 2016, no rate of
6 tax shall be applied to diesel fuel, blended fuel that contains diesel
7 fuel or is intended for use as diesel fuel, or kerosene, other than
8 aviation grade kerosene; for the period from January 1, 2017
9 through June 30, 2017, the applicable rate for those fuels shall be 70
10 percent of the rate otherwise determined pursuant to subparagraph
11 (a) of this paragraph, and for July 1, 2017 and thereafter the
12 applicable rate for those fuels determined pursuant to subparagraph
13 (a) of this paragraph.

14 (e) The cents-per-gallon rate determined pursuant to
15 subparagraph (d) of this paragraph shall not be less than the rate
16 determined for the ¹[quarter beginning] average retail price per
17 gallon of number 2 diesel in the State on¹ July 1, 2016.

18 (f) The applicable tax rate for fuel oil determined pursuant to
19 subparagraph (a) of this paragraph shall be converted to a cents-per-
20 gallon rate, rounded to the nearest tenth of a cent, and adjusted
21 quarterly by the director, effective on July 1, October 1, January 1,
22 and April 1, to reflect the average price per gallon, without State or
23 federal tax included, of retail sales of number 2 fuel oil in the State,
24 as determined in the most recent survey of retail diesel fuel prices
25 that included a Statewide representative random sample conducted
26 by the Board of Public Utilities, Office of the Economist, or its
27 successor.

28 (g) The cents-per-gallon rate determined pursuant to
29 subparagraph (f) of this paragraph shall not be less than the rate
30 determined for the ¹[quarter beginning] average price per gallon,

31 without State or federal tax included, of retail sales of number 2
32 fuel oil in the State on¹ July 1, 2016.

33 (h) On and after the 10th day following a certification by the
34 review council pursuant to subsection c. of section ¹[16] ²[14¹]
35 19² of P.L. , c. (C.) (pending before the Legislature as this
36 bill), no tax shall be imposed pursuant to this paragraph.

37 (2) (a) In addition to the tax, if any, imposed by paragraph (1)
38 of this subsection, a cents-per-gallon tax is imposed on each
39 company's gross receipts derived from the first sale of petroleum
40 products within this State on gasoline, blended fuel that contains
41 gasoline or that is intended for use as gasoline, liquefied petroleum
42 gas ^{2,2} and aviation fuel at the rate of four cents per gallon; and

43 (b) In addition to the tax, if any, imposed by paragraph (1) of
44 this subsection, a cents-per-gallon tax is imposed on each
45 company's gross receipts derived from the first sale of petroleum
46 products within this State on diesel fuel, blended fuel that contains
47 diesel fuel or is intended for use as diesel fuel, and kerosene ^{2,2}

1 other than aviation grade kerosene ^{2,2} at the rate of four cents per
2 gallon before July 1, 2017 and at the rate of eight cents per gallon
3 on and after July 1, 2017.

4 b. There is imposed on each company that imports or causes to
5 be imported, other than by a company subject to and having paid
6 the tax on those imported petroleum products that have generated
7 gross receipts taxable under subsection a. of this section, petroleum
8 products for use or consumption by it within this State a tax at the
9 rate [of two and three-quarters percent (2 3/4%)] or rates ²[of],
10 determined pursuant to subsection a. of this section, on² the
11 consideration given or contracted to be given and the gallonage ²[,
12 determined pursuant to subsection a. of this section,]² for such
13 petroleum products if the consideration given or contracted to be
14 given for all such deliveries made during a quarterly period exceeds
15 \$5,000 [; provided however, that the applicable tax rate for fuel
16 oils, aviation fuels and motor fuels subject to tax under R.S.54:39-1
17 et seq. shall be converted to a cents per gallon rate, rounded to the
18 nearest cent, that shall be calculated by the use of the average retail
19 price per gallon of unleaded regular gasoline in December 1990, as
20 determined in a survey of retail gasoline prices that included a
21 Statewide representative random sample conducted in December
22 1990 for that month by the Board of Public Utilities, Office of the

23 Economist, and shall be effective for the tax due for months ending
24 after that date】.

25 c. (1) For State fiscal years 2018 through 2026, the rate of tax
26 imposed on highway fuel pursuant to subsection a. of this section
27 shall be adjusted annually so that the total revenue derived from
28 highway fuel shall not exceed the highway fuel cap amount.

29 (2) The State Treasurer shall, on or before December 31, 2016,
30 determine the highway fuel cap amount as the sum of:

31 (a) the taxes collected for State Fiscal Year 2016 pursuant to
32 paragraphs (1) and (2) of subsection a. of section 3 of P.L.2010,
33 c.22 (C.54:39-103) on highway fuel,

34 (b) the amount derived from taxing the gallonage of highway
35 fuel subject to motor fuel tax in State Fiscal Year 2016 at the rate of
36 four cents per gallon, and

37 (c) the amount that would have been derived from taxing the
38 gallonage of highway fuel subject to motor fuel tax in State Fiscal
39 Year 2016 at the rate of 23 cents per gallon.

40 (3) On or before August 15 of each State Fiscal Year following
41 State Fiscal Year 2017, the State Treasurer and the Legislative
42 Budget and Finance Officer shall determine the total revenue
43 derived from:

44 (a) the taxes collected for the prior State Fiscal Year pursuant to
45 paragraphs (1) and (2) of subsection a. of section 3 of P.L.2010,
46 c.22 (C.54:39-103) on highway fuel,

1 (b) the revenue that would be derived from imposing the tax
2 pursuant to paragraph (2) of subsection a. of this section on
3 highway fuel at the rate of four cents per gallon, and

4 (c) the revenue derived from the taxation of highway fuel
5 pursuant to paragraph (1) of subsection a. of this section.

6 (4) Upon consideration of the result of the determination
7 pursuant to paragraph (3) of this subsection, and consultation with
8 the Legislative Budget and Finance Officer, the State Treasurer
9 shall determine the rate of tax to be imposed on highway fuel
10 pursuant to subsection a. of this section that will result in revenue
11 from:

12 (a) the taxes collected on highway fuel for the current State
13 Fiscal Year pursuant to paragraphs (1) and (2) of subsection a. of
14 section 3 of P.L.2010, c.22 (C.54:39-103),

15 (b) the revenue derived from the tax imposed pursuant to
16 paragraph (2) of subsection a. of this section on highway fuel at the

17 rate of four cents per gallon for the current State Fiscal Year, and
18 (c) the revenue derived from the taxation of highway fuel
19 pursuant to paragraph (1) of subsection a. of this section
20 equaling the highway fuel cap amount determined pursuant to
21 paragraph (2) of this subsection, as adjusted pursuant to paragraph
22 (5) of this subsection;

23 and that rate shall take effect on ²[the]² October 1 of that year.

24 (5) If the actual revenue determined pursuant to paragraph (3) of
25 this subsection exceeds the highway fuel cap amount determined
26 pursuant to paragraph (2) of this subsection, then the highway fuel
27 cap amount for the succeeding year shall be decreased by the
28 amount of the excess in setting the rate pursuant to paragraph (4) of
29 this subsection. If the actual revenue determined pursuant to
30 paragraph (3) of this subsection is less than the highway fuel cap
31 amount determined pursuant to paragraph (2) of this subsection,
32 then the highway fuel cap amount for the succeeding year shall be
33 increased by the amount of the shortfall in setting the rate pursuant
34 to paragraph (4) of this subsection.

35 (cf: P.L.2000, c.48, s.1)

36

37 ¹[12.] ²[10.¹] 15.² Section 2 of P.L.1991, c.19 (C.54:15B-9) is
38 amended to read as follows:

39 2. a. A person who shall purchase or otherwise acquire
40 petroleum products, upon which the petroleum products gross
41 receipts tax has not been paid and is not due pursuant to subsection
42 b. of section 5 of P.L.1990, c.42 (C.54:15B-5) or upon which a
43 reimbursement payment has been paid pursuant to section 3 of [this
44 act] P.L.1991, c.19 (C.54:15B-10), from a federal government
45 department, agency or instrumentality, or any agent or officer
46 thereof, for use not specifically associated with any federal
47 government function or operation, shall pay to the State a tax
48 [equivalent to two and three-quarters percent (2 3/4%)] at the rate

1 or rates of the consideration given or contracted to be given for the
2 purchase or acquisition of the petroleum products and the
3 gallonage, determined pursuant to subsection a. of section 3 of
4 P.L.1990, c.42 (C.54:15B-3) in accordance with the procedures set
5 forth in the "Petroleum Products Gross Receipts Tax Act,"
6 P.L.1990, c.42 (C.54:15B-1 et seq.).

7 b. A person who knowingly uses, or who conspires with an
8 official, agent or employee of a federal government department,

9 agency or instrumentality, for the use of, a requisition, purchase
10 order, or a card or an authority to which the person is not
11 specifically entitled by government regulations, with the intent to
12 obtain petroleum products from a federal government department,
13 agency or instrumentality for a use not specifically associated with
14 a federal government function or operation, upon which the
15 petroleum products gross receipts tax has not been paid, is guilty of
16 a crime of the fourth degree.

17 (cf: P.L.1991, c.19, s.2)

18

19 ¹[13.] ²[11.¹] 16.² Section 3 of P.L.1991, c.19 (C.54:15B-10)
20 is amended to read as follows:

21 a. A federal government department, agency or instrumentality,
22 that purchases petroleum products other than by the first sale of that
23 product in this State for use in a federal government function or
24 operation, upon which petroleum products the petroleum products
25 gross receipts tax has been paid or is due and payable, shall be
26 reimbursed and paid an amount [equivalent to two and three-
27 quarters percent (2 3/4%)] at the rate or rates of the consideration
28 given or contracted to be given [by the federal government
29 department, agency or instrumentality for the purchase of the
30 petroleum products] , and the gallonage, determined pursuant to
31 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3).

32 b. The reimbursement shall be claimed by presenting to the
33 Director of the Division of Taxation in the Department of the
34 Treasury an application for the reimbursement, on a form prescribed
35 by the director, which application shall be verified by a declaration
36 of the applicant that the statements contained therein are true. Such
37 application for reimbursement shall be supported by an invoice, or
38 invoices, showing the name and address of the person from whom
39 the petroleum products were purchased, the name of the purchaser,
40 the date of purchase, the quantity of the product purchased, the
41 price paid for the purchase of the product, and an acknowledgment
42 by the seller that payment of the cost of the product to the seller,
43 including the petroleum gross receipts tax due thereon, has been
44 made. Such invoice, or invoices, shall be legibly written and shall
45 be void if any corrections or erasures shall appear on the face
46 thereof.

47 c. If petroleum products are sold to a federal government
48 department, agency or instrumentality that shall be entitled to a

1 reimbursement under this act, the seller of the petroleum products
2 shall supply the purchaser with an invoice that conforms with the
3 requirements of subsection b. of this section.

4 (cf: P.L.1991, c.19, s.3)

5
6 ¹[14. (New section) a. There is levied a tax on persons, other
7 than licensed companies pursuant to section 6 of P.L.1991, c.181
8 (C.54:15B-12), holding the fuels enumerated in subparagraph (a) of
9 paragraph (2) of subsection a. of section 3 of P.L.1990, c.42
10 (C.54:15B-3) in storage for sale as of the close of the first business
11 day following the date of enactment of P.L. , c. (C.) (pending
12 before the Legislature as this bill) by fifteen days on which tax has
13 previously been paid. The amount of tax shall be the difference
14 between the tax per gallon specified by subsection a. of section 3 of
15 P.L.1990, c.42 (C.54:15B-3) for the type of fuel and the tax
16 previously paid per gallon, multiplied by the gallons in storage of
17 that type of fuel as of the close of the business day on that day.

18 b. Persons in possession of those fuels in storage as of the close
19 of the first business day following the date of enactment of P.L. ,
20 c. (C.) (pending before the Legislature as this bill) by fifteen
21 days shall:

22 (1) take an inventory at the close of the business day on that
23 day;

24 (2) report the gallons listed in paragraph (1) of this subsection
25 on forms provided by the director, not later than 45 days following
26 the date of enactment of P.L. , c. (C.) (pending before the
27 Legislature as this bill) by fifteen days; and

28 (3) Remit the tax levied under this section to the director no
29 later than February 1, 2017.

30 c. Fuel not reflected in the inventory taken pursuant to
31 subsection b. of this section is deemed to be previously untaxed,
32 except to the extent that it is invoiced as delivered tax-paid on or
33 after July 1, 2016.

34 d. There is levied a tax on persons, other than licensed
35 companies pursuant to section 6 of P.L.1991, c.181 (C.54:15B-12),
36 holding the fuels enumerated in subparagraph (b) of paragraph (2)
37 of subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) in
38 storage for sale as of the close of the business day on December 31,
39 2016 on which tax has previously been paid. The amount of tax
40 shall be the difference between the tax per gallon specified by
41 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) for the

42 type of fuel and the tax previously paid per gallon, multiplied by the
43 gallons in storage of that type of fuel as of the close of the business
44 day on December 31, 2016.

45 e. Persons in possession of those fuels in storage as of the close
46 of the business day on December 31, 2016 shall:

47 (1) take an inventory at the close of the business day on
48 December 31, 2016;

1 (2) report the gallons listed in paragraph (1) of this subsection
2 on forms provided by the director, not later than January 31, 2017;
3 and

4 (3) Remit the tax levied under this section to the director no
5 later than August 1, 2017.

6 f. Fuel not reflected in the inventory taken pursuant to
7 subsection b. of this section is deemed to be previously untaxed,
8 except to the extent that it is invoiced as delivered tax-paid on or
9 after January 1, 2017.

10 g. In determining the amount of tax due under this section, a
11 person may exclude the amount of fuel in dead storage in each
12 storage tank

13 h. As used in this section:

14 "Close of the business day" means the time at which the last
15 transaction has occurred for that day.

16 "Dead storage" means the amount of fuel that cannot be pumped
17 out of a fuel storage tank because the motor fuel is below the mouth
18 of the draw pipe. The amount of motor fuel in dead storage is 200
19 gallons for a tank with a capacity of less than 10,000 gallons and
20 400 gallons for a tank with a capacity of 10,000 gallons or more. **]**¹

21

22 ²**[**¹12.] 17.² (New section) a. There is levied a tax on persons,
23 other than licensed companies pursuant to section 6 of P.L.1991,
24 c.181 (C.54:15B-12), holding the fuels enumerated in subparagraph
25 (a) of paragraph (2) of subsection a. of section 3 of P.L.1990, c.42
26 (C.54:15B-3) in storage for sale as of the close of the last business
27 day before the 2016 implementation date on which tax has
28 previously been paid. The amount of tax shall be the difference
29 between the tax per gallon specified by subsection a. of section 3 of
30 P.L.1990, c.42 (C.54:15B-3) for the type of fuel sold on or after the
31 2016 implementation date and the tax previously paid per gallon,
32 multiplied by the gallons in storage of that type of fuel as of the
33 close of the business day on that day.

34 b. Persons in possession of those fuels in storage as of the close
35 of the last business day before the 2016 implementation date shall:

36 (1) take an inventory at the close of the business day on that
37 day;

38 (2) report the gallons listed in paragraph (1) of this subsection
39 on forms provided by the director, not later than 45 days following
40 the 2016 implementation date; and

41 (3) remit the tax levied under subsection a. of this section to the
42 director no later than February 1, 2017.

43 c. Fuel not reflected in the inventory taken pursuant to
44 subsection b. of this section is deemed to be previously untaxed,
45 except to the extent that it is invoiced as delivered tax-paid on or
46 after the 2016 implementation date.

47 d. There is levied a tax on persons, other than licensed
48 companies pursuant to section 6 of P.L.1991, c.181 (C.54:15B-12),

1 holding the fuels enumerated in subparagraph (b) of paragraph (2)
2 of subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) in
3 storage for sale as of the close of the business day on December 31,
4 2016 on which tax has previously been paid. The amount of tax
5 shall be the difference between the tax per gallon specified by
6 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) for the
7 type of fuel sold on or after January 1, 2017 and the tax previously
8 paid per gallon, multiplied by the gallons in storage of that type of
9 fuel as of the close of the business day on December 31, 2016.

10 e. Persons in possession of those fuels in storage as of the close
11 of the business day on December 31, 2016 shall:

12 (1) take an inventory at the close of the business day on
13 December 31, 2016;

14 (2) report the gallons listed in paragraph (1) of this subsection
15 on forms provided by the director, not later than January 31, 2017;
16 and

17 (3) remit the tax levied under subsection d. of this section to the
18 director no later than June 1, 2017.

19 f. Fuel not reflected in the inventory taken pursuant to
20 subsection e. of this section is deemed to be previously untaxed,
21 except to the extent that it is invoiced as delivered tax-paid on or
22 after January 1, 2017.

23 g. There is levied a tax on persons, other than licensed
24 companies pursuant to section 6 of P.L.1991, c.181 (C.54:15B-12),
25 holding the fuels enumerated in subparagraph (b) of paragraph (2)

26 of subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) in
27 storage for sale as of the close of the business day on June 30, 2017
28 on which tax has previously been paid. The amount of tax shall be
29 the difference between the tax per gallon specified by subsection a.
30 of section 3 of P.L.1990, c.42 (C.54:15B-3) for the type of fuel sold
31 on or after July 1, 2017 and the tax previously paid per gallon,
32 multiplied by the gallons in storage of that type of fuel as of the
33 close of the business day on June 30, 2017.

34 h. Persons in possession of those fuels in storage as of the close
35 of the business day on June 30, 2017 shall:

36 (1) take an inventory at the close of the business day on June 30, 2017;
37

38 (2) report the gallons listed in paragraph (1) of this subsection
39 on forms provided by the director, not later than July 31, 2017; and

40 (3) remit the tax levied under subsection g. of this section to the
41 director no later than December 1, 2017.

42 i. Fuel not reflected in the inventory taken pursuant to
43 subsection e. of this section is deemed to be previously untaxed,
44 except to the extent that it is invoiced as delivered tax-paid on or
45 after July 1, 2017.

46 j. In determining the amount of tax due under this section, a
47 person may exclude the amount of fuel in dead storage in each
48 storage tank.

1 k. As used in this section:

2 "Close of the business day" means the time at which the last
3 transaction has occurred for that day.

4 "Dead storage" means the amount of fuel that cannot be pumped
5 out of a fuel storage tank because the motor fuel is below the mouth
6 of the draw pipe. The amount of motor fuel in dead storage is 200
7 gallons for a tank with a capacity of less than 10,000 gallons and
8 400 gallons for a tank with a capacity of 10,000 gallons or more. ¹

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