

AMENDMENTS TO HOUSE BILL NO. 2233

Sponsor: REPRESENTATIVE GREINER

Printer's No. 3174

1 Amend Bill, page 1, lines 2 and 3, by striking out "further
2 providing for definitions,"

3 Amend Bill, page 1, lines 3 and 4, by striking out "exempt
4 entity use, sale and delivery" and inserting
5 political subdivision and volunteer service use

6 Amend Bill, page 1, lines 8 through 18; pages 2 through 4,
7 lines 1 through 30; page 5, lines 1 through 25; by striking out
8 all of said lines on said pages and inserting

9 Section 1. Title 75 of the Pennsylvania Consolidated
10 Statutes is amended by adding a section to read:

11 § 9004.1. Political subdivision and volunteer service use of
12 tax-free motor fuels.

13 (a) Limitations.--An exempt entity:

14 (1) May not be a distributor.

15 (2) May use tax-free motor fuels only for its own
16 official business purposes.

17 (3) May not sell or deliver tax-free motor fuels to any
18 other person or exempt entity.

19 (4) May purchase and take delivery of tax-free motor
20 fuels only from a distributor.

21 (5) Shall cooperate with the department during an
22 investigation or audit related to the use, sale or delivery
23 of tax-free motor fuels provided for in this chapter.

24 (b) Penalty.--An exempt entity that improperly uses, sells
25 or delivers tax-free motor fuels shall:

26 (1) Pay the tax imposed under section 9004(b) (relating
27 to imposition of tax, exemptions and deductions).

28 (2) Pay an additional penalty equal to 100% of the tax
29 imposed under section 9004(b).

30 (3) Be subject to any other penalty, summary offense or
31 misdemeanor that may be imposed upon distributors who violate
32 the provisions of this chapter.

33 (c) Exempt entity use of commingled tax-free motor fuels.--

1 An exempt entity may withdraw tax-free motor fuels from a bulk
2 storage tank containing only commingled tax-free motor fuels if
3 the following apply:

4 (1) The bulk storage tank is located on property owned
5 by one of the exempt entities that owns tax-free motor fuels
6 placed into the tank and the exempt entity owning the
7 property is the owner of the bulk storage tank.

8 (2) Each exempt entity commingling tax-free motor fuels
9 in the bulk storage tank contracts separately with a
10 distributor for purchase and delivery of tax-free motor fuels
11 placed into the tank.

12 (3) Each exempt entity owning tax-free motor fuels in
13 the bulk storage tank enters into an agreement with the
14 exempt entity that owns the bulk storage tank and the
15 agreement includes provisions pertaining to:

16 (i) purchase from distributors of tax-free motor
17 fuels placed into the bulk storage tank;

18 (ii) method of delivery of tax-free motor fuels into
19 the bulk storage tank;

20 (iii) controls and security procedures for the
21 removal of tax-free motor fuels from the bulk storage
22 tank by the volunteer service;

23 (iv) storage of tax-free motor fuels in the bulk
24 storage tank;

25 (v) removal of tax-free motor fuels from the bulk
26 storage tank;

27 (vi) compliance with all of the recordkeeping
28 requirements for liquid fuels and fuels as provided under
29 this chapter; and

30 (vii) acknowledgment of joint and several liability
31 for loss, misuse or undocumented withdrawals of tax-free
32 motor fuels from the bulk storage tank.

33 (4) The exempt entity does not withdraw from the bulk
34 storage tank any amount of commingled tax-free motor fuels
35 for which the exempt entity has not previously paid a
36 distributor to deliver into the tank, except as provided for
37 volunteer services under subsection (d).

38 (5) Tax-paid motor fuels are not placed into a bulk
39 storage tank containing commingled tax-free motor fuels.

40 (6) Only exempt entities may own tax-free motor fuels
41 placed into or removed from the bulk storage tank containing
42 commingled tax-free motor fuels.

43 (7) All of the recordkeeping compliance provisions of
44 this chapter are satisfied by each entity owning commingled
45 tax-free motor fuels in the bulk storage tank.

46 (d) Conditions on use of motor fuels transferred to
47 volunteer services from political subdivisions.--A volunteer
48 service may use tax-free motor fuels transferred to the
49 volunteer service from a political subdivision if the following
50 apply:

51 (1) The political subdivision's bulk storage tank from

1 which the volunteer service removes tax-free motor fuels
2 contains only tax-free motor fuels that are either owned
3 exclusively by the political subdivision or owned by both the
4 political subdivision and one or more volunteer services
5 pursuant to a valid commingling agreement as provided for
6 under subsection (c)(3).

7 (2) The volunteer service provides services to the
8 political subdivision and the residents of the political
9 subdivision.

10 (3) The volunteer service takes delivery of the motor
11 fuel directly from a bulk storage tank owned by the political
12 subdivision.

13 (4) Tax-free motor fuels withdrawn from the political
14 subdivision's bulk storage tank by a volunteer service must
15 be placed directly into the vehicle propulsion tank of a
16 vehicle owned and operated by the volunteer service.

17 (e) Definitions.--The following words and phrases when used
18 in this section shall have the meanings given to them in this
19 subsection unless the context clearly indicates otherwise:

20 "Exempt entity." A political subdivision or volunteer
21 service in accordance with section 9004(e) (relating to
22 imposition of tax, exemptions and deductions).

23 "Motor fuels." Liquid fuels or fuels. The term does not
24 include alternative fuels.

25 "Political subdivision." A county, city, borough,
26 incorporated town, township, school district, vocational school
27 district or county institution district.

28 "Tax-free motor fuels." Motor fuels upon which the oil
29 company franchise tax under 9004(b) has not been imposed.

30 "Volunteer service." A volunteer fire company, volunteer
31 ambulance service or volunteer rescue squad.

32 Amend Bill, page 5, line 26, by striking out "3" and
33 inserting

34 2

35 Amend Bill, page 6, line 13, by striking out "4" and
36 inserting

37 3