

SENATE BILL NO. 2391

Introduced by

Senators Flakoll, Anderson

Representatives Monson, Porter

1 A BILL for an Act to create and enact a new section to chapter 57-43.1 of the North Dakota
2 Century Code, relating to a retail ethanol sales incentive refund to motor vehicle fuel retailers; to
3 provide an appropriation; and to provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 57-43.1 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Retail ethanol sales incentive refunds - Threshold sales levels.**

8 1. For purposes of this section:

9 a. "Retail ethanol sales percentage" means the percentage determined by
10 dividing the gallons of ethanol contained in motor vehicle fuel sold during a
11 year at a retail location by the total gallons of motor vehicle fuel sold at that
12 retail location during that year.

13 b. "Year" means calendar year.

14 2. A retailer of motor vehicle fuel is entitled to a refund from motor vehicle fuel taxes
15 collected under this chapter on qualifying sales of ethanol at a retail location
16 operated by that retailer. The amount of the refund must be determined separately
17 for each retail location. The amount of the refund is three cents for each gallon of
18 ethanol contained in motor vehicle fuel sold at retail during the year at a retail
19 location that has a retail ethanol sales percentage for the year meeting or
20 exceeding the threshold retail ethanol sales percentage for that year under
21 subsection 3.

22 3. The threshold retail ethanol sales percentage for the year is:

23 a. Eight percent for 2008.

24 b. Nine percent for 2009.

- 1 c. Ten percent for 2010.
- 2 d. Eleven percent for 2011.
- 3 e. Twelve percent for 2012.
- 4 f. Thirteen percent for 2013.
- 5 g. Fourteen percent for 2014.
- 6 h. Fifteen percent for 2015 and thereafter.
- 7 4. Claims for refunds under this section must be filed with the tax commissioner on
- 8 forms and in the manner prescribed by the tax commissioner. A refund claim for a
- 9 year must be filed by April fifteenth of the year following the year for which the
- 10 refund claim is made.
- 11 5. The tax commissioner shall audit refund claims under this section and shall pay
- 12 refunds within the limits of legislative appropriations.

13 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the

14 general fund in the state treasury, not otherwise appropriated, the sum of \$900,000, or so much

15 of the sum as may be necessary, to the state tax commissioner for the purpose of retail ethanol

16 sales incentive refunds under section 1 of this Act, for the biennium beginning July 1, 2007, and

17 ending June 30, 2009.

18 **SECTION 3. EFFECTIVE DATE.** This Act is effective for motor vehicle fuel sales

19 occurring after December 31, 2007.