

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subdivision c of subsection 1 of section 57-39.2-02.1,
2 section 57-39.2-03.3, subsection 1 of section 57-40.3-01, subsection 4 of section 57-40.3-11,
3 subsections 12, 13, 16, and 18 of section 57-43.1-01, subsection 2 of section 57-43.1-02,
4 section 57-43.1-05, subsections 16, 17, and 20 of section 57-43.2-01, and subsection 2 of
5 section 57-43.2-02 of the North Dakota Century Code, relating to sales tax on sales through
6 vending machines, the definition of low-speed vehicle and the time for audit and protest for
7 motor vehicle excise tax purposes, motor vehicle fuel tax definitions, the motor vehicle fuel tax
8 and special fuels tax imposed on fuels produced by a refiner, and minimum refunds for motor
9 vehicle fuel tax purposes; and to provide an effective date.

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

11 **SECTION 1. AMENDMENT.** Subdivision c of subsection 1 of section 57-39.2-02.1 of
12 the North Dakota Century Code is amended and reenacted as follows:

13 c. Tickets or admissions to places of amusement or entertainment or athletic
14 events, including amounts charged for participation in an amusement,
15 entertainment, or athletic activity and the playing of any machine for
16 amusement or entertainment in response to the use of a coin. The tax
17 imposed by this section applies only to ~~eighty~~ forty percent of the gross
18 receipts collected from coin-operated amusement devices.

19 **SECTION 2. AMENDMENT.** Section 57-39.2-03.3 of the North Dakota Century Code
20 is amended and reenacted as follows:

21 **57-39.2-03.3. Sales tax on sales through vending machines.** ~~Beginning July 1,~~
22 ~~1969, gross~~ Gross receipts from the sale of tangible personal property costing sixteen cents or
23 more sold through a coin-operated vending machine are subject to the sales tax imposed by
24 chapter 57-39.2, and gross receipts from the sale of tangible personal property costing fifteen

1 cents or less sold through a coin-operated vending machine are specifically exempted from the
2 provisions of this chapter.

3 **SECTION 3. AMENDMENT.** Subsection 1 of section 57-40.3-01 of the North Dakota
4 Century Code is amended and reenacted as follows:

5 1. "Low-speed vehicle" means a four-wheeled vehicle that is able to attain a speed,
6 upon a paved surface, of more than twenty miles per hour [32 kilometers per hour]
7 in one mile [1.6 kilometers] and not more than twenty-five miles per hour
8 [40 kilometers per hour] in one mile [1.6 kilometers] and may not exceed ~~one~~ three
9 thousand ~~five hundred~~ pounds [~~680.39~~ 1360.77 kilograms] in ~~unloaded~~ weight
10 when fully loaded with passengers and any cargo.

11 **SECTION 4. AMENDMENT.** Subsection 4 of section 57-40.3-11 of the North Dakota
12 Century Code is amended and reenacted as follows:

13 4. If upon audit the tax commissioner determines that a motor vehicle excise tax has
14 not been paid or an additional tax is due, the tax commissioner shall give notice of
15 determination of the tax due to the person liable for the tax. The notice of
16 determination must be given no later than three years from the date the motor
17 vehicle was purchased, acquired, or the date the vehicle was required to be titled
18 or registered with the director of the department of transportation, whichever is
19 later. If it is determined that the motor vehicle excise tax due is twenty-five percent
20 or more above the amount that had been paid, the notice of determination must be
21 given no later than six years from the date the motor vehicle was purchased,
22 acquired, or the date the vehicle was required to be titled or registered with the
23 director of the department of transportation, whichever is later. The notice of
24 determination of tax due fixes the tax finally and irrevocably unless within ~~fifteen~~
25 thirty days of the date of the notice the person against whom the tax is assessed
26 applies to the tax commissioner for a hearing under chapter 28-32 or unless the
27 tax commissioner reduces the liability relating to assessments on the tax
28 commissioner's own motion. The provisions of chapter 57-39.2 not in conflict with
29 the provisions of this chapter govern the administration of the tax levied in this
30 chapter.

1 **SECTION 5. AMENDMENT.** Subsections 12, 13, 16, and 18 of section 57-43.1-01 of
2 the North Dakota Century Code are amended and reenacted as follows:

3 12. "Import" means the delivery of motor vehicle fuel across the boundaries of this
4 state from a place of origin outside this state by a refiner, supplier, ~~or~~ distributor, or
5 consumer.

6 13. "Importer" means a refiner, supplier, ~~or~~ distributor, or consumer who imports motor
7 vehicle fuel into this state in bulk or transport load by truck, railcar, or in a barrel,
8 drum, or other receptacle.

9 16. "Licensed motor vehicle" means any motor vehicle required to be licensed for
10 operation upon public roads or highways, but does not include a vehicle with a
11 permanently mounted manure spreader or stack moving unit.

12 18. "Motor vehicle fuel" means all products commonly or commercially known or sold
13 as gasoline, including casinghead and absorption or natural gasoline, regardless of
14 their classifications or uses, and any liquid which, when subjected to distillation in
15 accordance with the standard method of test for distillation of gasoline, naphtha,
16 kerosene, and similar petroleum products (American society for testing materials
17 designation D-86), shows not less than ten percent distilled (recovered) below
18 three hundred forty-seven degrees Fahrenheit [175 degrees Celsius] and not less
19 than ninety-five percent distilled (recovered) below four hundred sixty-four degrees
20 Fahrenheit [240 degrees Celsius] but does not include aviation fuel or fuel used as
21 a component of or additive to another product when the use is not intended to
22 result in combustion. It includes agriculturally derived alcohol blended with
23 gasoline, used in a pure state, or if blended with another agriculturally derived
24 liquid.

25 **SECTION 6. AMENDMENT.** Subsection 2 of section 57-43.1-02 of the North Dakota
26 Century Code is amended and reenacted as follows:

27 2. A refiner, supplier, or distributor shall remit the tax imposed by this section on
28 motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a
29 retailer, and on direct sales of motor vehicle fuel to a consumer.

30 **SECTION 7. AMENDMENT.** Section 57-43.1-05 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **57-43.1-05. Claim for refund - Limitation on filing.** A refund claim must be filed, for
2 all motor vehicle fuel purchases during a calendar year, on or after January first and before July
3 first of the next year following the year during which the purchase was made, or the claim for
4 refund is barred unless the commissioner grants an extension of time for cause. However, any
5 claim for refund may be filed in the calendar year of motor vehicle fuel purchase when:

- 6 1. The business is being discontinued;
- 7 2. No further purchases subject to fuel tax refund will be made in the remainder of the
8 calendar year; or
- 9 3. The claim for refund exceeds four hundred dollars.

10 No claim for refund may be made or approved unless the amount of the claim is ~~in excess of~~ at
11 least five dollars.

12 **SECTION 8. AMENDMENT.** Subsections 16, 17, and 20 of section 57-43.2-01 of the
13 North Dakota Century Code are amended and reenacted as follows:

- 14 16. "Import" means the delivery of special fuel across the boundaries of this state from
15 a place of origin outside this state by a refiner, supplier, ~~or~~ distributor, or
16 consumer.
- 17 17. "Importer" means a refiner, supplier, ~~or~~ distributor, or consumer who imports
18 special fuel into this state in bulk or transport load by truck, railcar, or in a barrel,
19 drum, or other receptacle.
- 20 20. "Licensed motor vehicle" means any motor vehicle required to be licensed for
21 operation upon public roads or highways, but does not include a vehicle with a
22 permanently mounted manure spreader or stack moving unit.

23 **SECTION 9. AMENDMENT.** Subsection 2 of section 57-43.2-02 of the North Dakota
24 Century Code is amended and reenacted as follows:

- 25 2. A refiner, supplier, distributor, or retailer shall remit the tax imposed by this section
26 on special fuel used and on direct sales of special fuel to a customer.

27 **SECTION 10. EFFECTIVE DATE.** Section 4 of this Act is effective for assessments of
28 motor vehicle excise tax issued after June 30, 2009. Sections 5, 6, 8, and 9 of this Act are
29 effective for taxable periods beginning after June 30, 2009. Section 7 of this Act is effective for
30 refund claims made after June 30, 2009.