

AMENDED IN ASSEMBLY MARCH 31, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1269**

**Introduced by Assembly Member Granlund**

February 28, 1997

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An act to amend ~~Sections 8708, 60122, and Section~~ 60128 of, and to add Section 60116 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1269, as amended, Granlund. Diesel fuel.

~~The Use Fuel Tax Law and the Diesel Fuel Tax Law authorize the State Board of Equalization to issue diesel fuel trip permits to holders of trip permits, as specified, for a fee of \$30.~~

~~This bill would provide that the amount of the fee shall be unspecified.~~

*The Diesel Fuel Tax Law imposes a tax of a specified amount per gallon of diesel fuel that is used in a qualified motor vehicle in this state by an interstate user.*

This bill would, ~~under the Diesel Fuel Tax Law~~ in addition to that tax, establish a surcharge, at a specified rate, on diesel fuel brought into this state in the fuel tank of a qualified motor vehicle by an interstate user, and allow a credit or refund of the surcharge on diesel fuel purchased in this state and used in a qualified motor vehicle outside this state by an interstate user.

This bill would take effect immediately as a tax levy.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 8708 of the Revenue and~~  
2     ~~Taxation Code is amended to read:~~  
3     ~~8708. The board or its authorized representative may~~  
4     ~~issue a California fuel trip permit to interstate users and~~  
5     ~~holders of trip permits issued under Section 4004 of the~~  
6     ~~Vehicle Code. The California fuel trip permit shall be~~  
7     ~~valid for the same period as the trip permit issued under~~  
8     ~~Section 4004 of the Vehicle Code. The fee for issuance of~~  
9     ~~a California fuel trip permit is \_\_\_\_\_. Other provisions~~  
10    ~~of this article and Article 1 (commencing with Section~~  
11    ~~8751) of Chapter 4 shall not apply to the holder of a~~  
12    ~~California fuel trip permit who uses only fuel brought into~~  
13    ~~this state in the fuel tank of the qualified motor vehicle~~  
14    ~~and fuel purchased from, and delivered into the fuel tank~~  
15    ~~of the qualified motor vehicle by, a vendor. Any use fuel~~  
16    ~~tax paid to a vendor for fuel taken out of the state in the~~  
17    ~~fuel tank of a qualified motor vehicle operated under a~~  
18    ~~California fuel trip permit shall not be refunded to the~~  
19    ~~holder of the permit, notwithstanding any other~~  
20    ~~provisions of this part.~~  
21    ~~The board may deny the issuance of more than one~~  
22    ~~California fuel trip permit for an interstate user of fuel~~  
23    ~~determined by the board to bring qualified motor~~  
24    ~~vehicles into this state on a regular, ongoing basis. The~~  
25    ~~board shall maintain a file of all California fuel trip~~  
26    ~~permits issued under this section for the purpose of~~  
27    ~~determining the effectiveness of the program and the~~  
28    ~~appropriateness of the fee. The board may enter into an~~  
29    ~~interagency agreement with the Department of Motor~~  
30    ~~Vehicles providing for the issuance of California fuel trip~~  
31    ~~permits by that department.~~  
32    ~~SEC. 2.~~  
33    ~~SECTION 1. Section 60116 is added to the Revenue~~  
34    ~~and Taxation Code, to read:~~



1 60116. (a) In addition to the tax imposed by Section  
2 60115, there is imposed upon any interstate user a  
3 surcharge on diesel fuel imported into this state in the fuel  
4 tank of a qualified motor vehicle and used in the  
5 operation of the qualified motor vehicle in this state.

6 (b) The surcharge in subdivision (a) is a  
7 cents-per-gallon rate equal to 7.25 percent of the average  
8 retail price per gallon (including the federal excise tax  
9 and excluding the state excise tax and the sales and use  
10 tax) of diesel fuel sold in this state. The average retail  
11 price is established by the board. The surcharge is  
12 recalculated by the board annually on a calendar basis.

13 ~~SEC. 3. Section 60122 of the Revenue and Taxation~~  
14 ~~Code is amended to read:~~

15 ~~60122. The board or its authorized representative~~  
16 ~~may issue a California fuel trip permit to interstate users~~  
17 ~~and holders of trip permits issued under Section 4004 of~~  
18 ~~the Vehicle Code. The California fuel trip permit shall be~~  
19 ~~valid for the same period as the trip permit issued under~~  
20 ~~Section 4004 of the Vehicle Code. The fee for issuance of~~  
21 ~~a California fuel trip permit is \_\_\_\_\_. Other provisions~~  
22 ~~of this article and Article 1 (commencing with Section~~  
23 ~~60201) of Chapter 6 shall not apply to the holder of a~~  
24 ~~California fuel trip permit who uses only diesel fuel~~  
25 ~~brought into this state in the fuel tank of the qualified~~  
26 ~~motor vehicle and diesel fuel purchased in this state with~~  
27 ~~the diesel fuel tax paid and delivered into the fuel tank of~~  
28 ~~the qualified motor vehicle. Any diesel fuel tax paid to a~~  
29 ~~diesel vendor for diesel fuel taken out of the state in the~~  
30 ~~fuel tank of a qualified motor vehicle operated under a~~  
31 ~~California fuel trip permit shall not be refunded to the~~  
32 ~~holder of the California fuel trip permit, notwithstanding~~  
33 ~~any other provision of this part.~~

34 ~~The board may deny the issuance of more than one~~  
35 ~~California fuel trip permit for any interstate user~~  
36 ~~determined by the board to bring vehicles into this state~~  
37 ~~on a regular, ongoing basis. The board shall maintain a file~~  
38 ~~of all permits issued under this section for the purpose of~~  
39 ~~determining the effectiveness of the program and the~~  
40 ~~appropriateness of the fee. The board may enter into an~~



1 ~~interagency agreement with the Department of Motor~~  
2 ~~Vehicles providing for issuance of California fuel trip~~  
3 ~~permits by that department.~~

4 ~~SEC. 4.~~

5 *SEC. 2.* Section 60128 of the Revenue and Taxation  
6 Code is amended to read:

7 60128. All of the administrative provisions of this part  
8 not inconsistent with this chapter shall be applicable to  
9 the administration of the tax imposed by Section 60115  
10 and of the surcharge imposed by Section 60116.

11 ~~SEC. 5.~~

12 *SEC. 3.* This act provides for a tax levy within the  
13 meaning of Article IV of the Constitution and shall go into  
14 immediate effect.

