

15 AAC 40.330 is amended by adding a new subsection to read:

(f) In determining whether a certificate of use is not required under AS 43.40.015(d)(2), the department will consider fuel to be exempted under AS 43.40.100(2)(I) as fuel used to heat private or commercial buildings or facilities only if the fuel is delivered to a tank

(1) providing a direct and dedicated supply to the building or facility being heated; or

(2) that is

(A) clearly and conspicuously marked as being intended for use or resale as heating fuel only; and

(B) equipped, modified, or monitored to a degree sufficient to cause a reasonable person to believe that the tank's contents will be dispensed or resold as heating fuel only.

(Eff. 4/1/2001, Register 157; am __/__/__, Register __)

Authority: AS 43.05.080 AS 43.40.050 AS 43.40.100
AS 43.40.015 AS 43.40.085

15 AAC 40.600(a) is amended to read:

(a) A person is eligible for a qualified dealer license if that person **meets the definition of a qualified dealer under AS 43.40.100(3) and** sells at least 50 percent of fuel acquired to unrelated persons for any combination of the following purposes:

- (1) resale;
- (2) use in heating private or commercial buildings or facilities;
- (3) use in jet propulsion aircraft.

15 AAC 40.600(c) is amended to read:

(c) The department **may** [WILL] not issue **or renew** a qualified dealer license if

(1) the department finds reasonable cause to believe that the person has withheld information required in the application or that the information submitted in the application is false or misleading; [OR]

(2) the person applying for the license, or a responsible person of a business organization that is applying for the license, has been convicted within the last ten years, in this state or in any other taxing jurisdiction, of crimes involving fuel tax under AS 43.05.290 or similar provisions in other taxing jurisdictions;

(3) the person fails to comply with a requirement of AS 43.40 or this chapter;

(4) the person does not meet the eligibility requirements for a qualified dealer license under 15 AAC 40.600(a); or

(5) except if under appeal, the person has failed to pay in full the taxes, interest, and penalties levied under AS 43.40 and AS 43.05.

15 AAC 40.600 is amended by adding new subsections to read:

(e) A license issued under this section is not transferable and expires on June 30 following the date of issue. Before a license issued under this section expires, the licensee may apply to renew the license on a form or in a format prescribed by the department for one year from the expiration date of the license.

(f) If the department determines a qualified dealer license may not be issued or renewed under this section, the department shall mail a notice of license denial or nonrenewal to the person whose license was denied or not renewed. A person may appeal a notice of license denial or nonrenewal within 10 days after the date the notice was mailed. The department shall follow the appeal procedures of AS 43.05 and 15 AAC 05.

(Eff. 4/1/2001, Register 157; am __/__/____, Register ____)

Authority: AS 43.05.080 AS 43.40.100

15 AAC 40.610(a) is amended to read:

(a) A person applying for a qualified dealer license under 15 AAC 40.600(a) must file a bond with the department in an amount equal to twice the estimated average monthly tax or \$5,000, whichever is greater. **A person applying to renew a qualified dealer license must file either a new bond or a bond continuation certificate on a form or in a format prescribed by the department. The bond may not be cancelled and must remain in effect until the assessment or collection of the motor fuel tax is prohibited by the applicable statute of limitations.** The department may [WILL] accept **other security in the amount required by this section instead of a bond, including a certificate of deposit,** a cash deposit, or bank letter of credit [IN THE APPROPRIATE AMOUNT INSTEAD OF A BOND].

15 AAC 40.610(c) is repealed:

(c) Repealed __/__/____. (Eff. 4/1/2001, Register 157; am __/__/____, Register ____)

Authority: AS 43.05.080 AS 43.40.100

Register _____, _____ 2013 REVENUE

15 AAC 40 is amended by adding a new section to read:

15 AAC 40.615. Demand upon bond or security. Except if under appeal, the department shall make demand on a bond or security if a licensee fails to pay an amount due to the department, including taxes, interest, or penalties, within the time required by law. (Eff. ___/___/___, Register ___)

Authority: AS 43.05.080 AS 43.05.150 AS 43.40.100

15 AAC 40.620(a) is amended to read:

(a) The department may revoke a qualified dealer license issued under 15 AAC 40.600 if

(1) the licensee fails to comply with a requirement of AS 43.40 **or this chapter**;

(2) the licensee is not currently engaged in the activities specified in

AS 43.40.100(3); [OR]

(3) the licensee, or a responsible person of a licensee that is a business organization, has been convicted within the last ten years, in this state or any other taxing jurisdiction, of crimes involving fuel tax under AS 43.05.290 or similar provisions in other taxing jurisdictions; **or**

(4) except if under appeal, the licensee has failed to pay in full the taxes, interest, and penalties levied under AS 43.40 and AS 43.05.

Register _____, _____ 2013 REVENUE

15 AAC 40.620 is amended by adding a new subsection to read:

(e) If the department revokes a license under this section, the licensee shall, after all appeals have been exhausted, immediately surrender the license to the department. (Eff.

4/1/2001, Register 157; am __/__/____, Register __)

Authority: AS 43.05.080 AS 43.40.100

15 AAC 40.900(20) is amended by adding a new subparagraph to read:

(D) any employee or contractor that has direct financial or physical control of fuel as part of that person's job duties.

15 AAC 40.900 is amended by adding new subsection to read:

(28) "foreign country" means any location that is not the 50 United States, the District of Columbia, or Puerto Rico. (Eff. 4/8/82, Register 82; am 8/1/82, Register 83; am 7/19/82, Register 83; am 11/14/82, Register 84; am 8/12/84, Register 91; am 4/1/2001, Register 157, am 11/10/2005; Register 176, am __/__/____, Register __)

Authority: AS 43.05.080 AS 43.40.035 AS 43.40.085
AS 43.40.010 AS 43.40.050 AS 43.40.100
AS 43.40.030 AS 43.40.080