

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 2066

By: Representative Hammer

For An Act To Be Entitled

AN ACT TO PROVIDE FOR A PARTIAL REBATE OF DISTILLATE
SPECIAL FUEL TAXES IN CERTAIN CIRCUMSTANCES; TO
CREATE THE DISTILLATE SPECIAL FUEL TAX REFUND FUND;
AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE FOR A PARTIAL REBATE OF
DISTILLATE SPECIAL FUEL TAXES IN CERTAIN
CIRCUMSTANCES; AND TO CREATE THE
DISTILLATE SPECIAL FUEL TAX REFUND FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 19, Chapter 5, Subchapter 12, is amended to add an additional section to read as follows:

19-5-1258. Distillate Special Fuel Tax Refund Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "Distillate Special Fuel Tax Refund Fund".

(b) The Distillate Special Fuel Tax Refund Fund shall consist of:

(1)(A) Two million five hundred thousand dollars (\$2,500,000) transferred by the Treasurer of State from the gross amount of distillate special fuel taxes collected each quarter.

(B) The transfers from the distillate special fuel taxes collected each quarter under this subsection shall be made after deducting allowances for bad checks or claims but before making any other distribution as provided by law.



(C) The amount transferred to the Distillate Special Fuel Tax Refund Fund under this subsection shall not include any moneys that have been pledged to the repayment of highway bonds under § 26-56-201; and

(2) Any other funds authorized or provided by law.

(c) The Distillate Special Fuel Tax Refund Fund shall be used by the Department of Finance and Administration to pay valid refunds claimed under § 26-56-233.

(d) Moneys remaining in the Distillate Special Fuel Tax Refund Fund at the end of each year shall be transferred to the General Revenue Allotment Reserve Fund.

SECTION 2. Arkansas Code Title 26, Chapter 56, Subchapter 2, is amended to add an additional section to read as follows:

26-56-233. Partial refund for distillate special fuels produced.

(a) As used in this section, "distillate special fuel" means distillate special fuel as defined in § 26-56-102.

(b) An entity that produces distillate special fuel by converting natural gas is entitled to a refund of six and five-tenths cents (6.5¢) per gallon of distillate special fuel tax paid on the sale of distillate special fuels produced from natural gas and sold in this state.

(c) An entity seeking to claim a refund under this section shall apply for a refund to the Department of Finance and Administration using the forms prescribed by the Director of the Department of Finance and Administration.

(d)(1) A valid claim for a refund under this section shall be paid from the Distillate Special Fuel Tax Refund Fund.

(2) The total amount of refunds awarded under this section shall not exceed:

(A) Ten million dollars (\$10,000,000) per year; or

(B) Fifty million dollars (\$50,000,000) for all refunds claimed under this section.

(3) Refunds under this section are awarded on a first-come, first-serve basis.

(e) The department shall promulgate rules to implement this section.