



Legislative Council Staff

Research Note

Version: Final

Date: 8/8/2016

Bill Number

Senate Bill 16-166

Sponsors

Senator Woods
Representative Kagan

Short Title

Transportation Fuel
Distributors' Tax Liens

Research Analyst

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Status

This research note reflects the final version of the bill, which became effective upon the signature of the Governor on June 10, 2016.

Summary

This bill allows a fuel distributor to file a lien against a fuel retailer or other commercial user if the retailer or other user fails to reimburse a distributor for any gasoline and special fuel taxes that the distributor pays to the Department of Revenue (DOR). It also establishes the priority for the lien and requirements for filing and enforcing the lien.

Background

The state's gasoline tax is imposed on the sale of gasoline and its derivatives at a rate of 0.22 cents per gallon. The special fuel tax is imposed on the sale of diesel engine fuel and other alternative fuels at a rate of 0.205 cents per gallon.

Gasoline and special fuel taxes are paid by fuel retailers and remitted by fuel distributors to the DOR. The taxes are due once the fuel is removed from storage for distribution. Colorado allows the tax to be deferred for up to three transfers of fuel after it has left the terminal of origin, as long as the transfer is between licensed distributors. The tax is calculated on gross gallons acquired and is required to be remitted on all transfers from the previous month by the 26th calendar day of the following month.

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Senate Action

Senate Finance Committee (March 29, 2016). Individuals representing the Colorado Propane Gas Association, Hill Petroleum, and the Colorado Wyoming Petroleum Marketers Association testified in support of the bill. The committee adopted amendment L.001, which adds to the information that must be included in a statement filed with a county clerk and recorder by a fuel distributor who intends to file a lien against a fuel retailer. The committee referred the bill, as amended, to the Senate Committee of the Whole with a recommendation that it be placed on the consent calendar.

Senate second reading (March 31, 2016). The Senate adopted the Senate Finance Committee report and passed the bill on second reading with no additional amendments.

Senate third reading (April 1, 2016). The Senate passed the bill on third reading with no amendments.

House Action

House Transportation & Energy Committee (April 20, 2016). Individuals representing the Colorado Propane Gas Association, Hill Petroleum, and the Colorado Wyoming Petroleum Marketers Association testified in support of the bill. The committee referred the bill to the House Committee of the Whole.

House second reading (April 22, 2016). The House passed the bill on second reading with no amendments.

House third reading (April 25, 2016). The House passed the bill on third reading with no amendments.