

By the Committee on Commerce; and Senators Dean and Lynn

577-02958-09

20091024c1

1 A bill to be entitled
2 An act relating to reimbursement of federal excise
3 taxes on motor fuel; creating s. 686.701, F.S.;
4 providing requirements and limitations on
5 reimbursement provisions of certain fuel supply
6 contracts; providing notice requirements; providing
7 for payment security requirements; providing for
8 electronic transfer of funds; specifying application
9 to contracts; providing an effective date.

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11 Be It Enacted by the Legislature of the State of Florida:

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13 Section 1. Section 686.701, Florida Statutes, is created to
14 read:

15 686.701 Reimbursement for taxes.-

16 (1) (a) If a fuel supply contract requires one party to
17 reimburse another party for the federal excise tax imposed by 26
18 U.S.C. s. 4081, whether as a separate item or as part of the
19 contract price, the reimbursing party, at its option and
20 notwithstanding contrary terms of the contract, shall not be
21 required to make the reimbursement more than 1 business day
22 before the day on which the reimbursed party must remit the
23 taxes to the Internal Revenue Service.

24 (b) Exercise of the option provided by this section does
25 not relieve the reimbursing party of its obligation to make the
26 reimbursement as required by the contract, but shall affect only
27 the timing of that reimbursement.

28 (2) (a) Written notice of the reimbursing party's intent to
29 exercise the option provided in subsection (1) shall be given to

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30 the reimbursed party.

31 (b) The notice must state the effective date of the
32 exercise of the option, which shall be no earlier than 30 days
33 after the notice of intent is received by the reimbursed party
34 or the beginning of the reimbursed party's next federal tax
35 quarter, whichever is later.

36 (3) (a) If a reimbursing party exercises the option provided
37 in subsection (1), the reimbursed party may demand security for
38 the payment of the taxes in proportion to the amount the taxes
39 represent compared to the security demanded on the contract as a
40 whole.

41 (b) The reimbursed party may also require reimbursement to
42 be made by electronic transfer of funds, but may not change the
43 other payment terms of the contract without a valid business
44 reason.

45 (4) (a) This section applies to all wholesale transactions
46 with terminal suppliers which are:

47 1. Continuing contracts that have no fixed expiration date
48 and that are in effect on July 1, 2009; or

49 2. Contracts that are entered into or renewed after July 1,
50 2009.

51 (b) All contracts in effect on July 1, 2009, which contain
52 a fixed expiration date shall be governed by the law in
53 existence prior to July 1, 2009.

54 Section 2. This act shall take effect July 1, 2009.