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2 An act relating to biodiesel fuel; amending s.  
3 206.874, F.S.; exempting biodiesel fuel manufactured  
4 by a public or private secondary school from taxation  
5 under certain circumstances; specifying the  
6 circumstances under which a public or private  
7 secondary school that manufactures biodiesel fuel is  
8 exempt from certain registration requirements;  
9 providing an effective date.

10  
11 Be It Enacted by the Legislature of the State of Florida:

12  
13 Section 1. Section 206.874, Florida Statutes, is amended to  
14 read:

15 206.874 Exemptions.—

16 (1) The provisions of this part requiring the payment of  
17 taxes do not apply to any of the following:

18 (a) The removal from a terminal or refinery of, or the  
19 entry or sale of, any diesel fuel if all of the following apply:

20 1. The person otherwise liable for tax is a diesel fuel  
21 registrant;

22 2. In the case of a removal from a terminal, the terminal  
23 is an approved terminal; and

24 3. The diesel fuel satisfies the dyeing and marking  
25 requirements of s. 206.8741.

26 (b) Any entry by a licensed importer into this state of  
27 diesel fuel on which taxes have been imposed by this chapter on  
28 a diesel fuel registrant pursuant to an agreement entered into  
29 with the department as provided by s. 206.872.

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30 (c) The removal of diesel fuel if all of the following  
31 apply:

32 1. The diesel fuel is removed by rail car from an approved  
33 refinery or terminal and is received at an approved refinery or  
34 terminal; and

35 2. The refinery and the terminal are operated by the same  
36 diesel fuel registrant.

37 (d) Diesel fuel which, pursuant to the contract of sale, is  
38 required to be shipped and is shipped to a point outside of this  
39 state by a supplier by means of any of the following:

40 1. Facilities operated by the supplier.

41 2. Delivery by the supplier to a carrier, customs broker,  
42 or forwarding agent, whether hired by the purchaser or not, for  
43 shipment to such out-of-state point.

44 3. Delivery by the supplier to any vessel clearing from a  
45 port of this state for a port outside of this state and actually  
46 exported from this state in the vessel.

47 (e) Diesel fuel which is destined for delivery to a  
48 location outside of this state on which the diesel fuel  
49 registrant is required to collect the taxes of the destination  
50 state pursuant to an agreement with the state of destination.

51 (2) Backup tax does not apply to delivery in this state of  
52 diesel fuel into the fuel tank of a diesel-powered motor vehicle  
53 as provided in s. 206.873 for use on a farm for farming  
54 purposes.

55 (3) Dyed diesel fuel may be purchased and used only for the  
56 following purposes:

57 (a) Use on a farm for farming purposes.

58 (b) Exclusive use of a local government.

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- 59 (c) Use in a vehicle owned by an aircraft museum.
- 60 (d) Exclusive use of the American Red Cross.
- 61 (e) Use in a vessel employed in the business of commercial  
62 transportation of persons or property or in commercial fishing.
- 63 (f) Use in a bus engaged in the transportation of students  
64 and employees of schools.
- 65 (g) Use in a local bus service that is open to the public  
66 and travels regular routes.
- 67 (h) Exclusive use of a nonprofit educational facility.
- 68 (i) Use in a motor vehicle owned by the United States  
69 Government which ~~that~~ is not used on a highway.
- 70 (j) Use in a vessel of war.
- 71 (k) Use of diesel fuel for home heating.
- 72 (l) Use in self-propelled off-road equipment or stationary  
73 equipment subject to tax under s. 212.0501.
- 74 (m) Use by a noncommercial vessel.
- 75 (4) (a) Notwithstanding the provisions of this section  
76 allowing local governments and school districts to use dyed or  
77 otherwise untaxed diesel fuel in motor vehicles, each county,  
78 municipality, and school district, to qualify for such use, must  
79 first register with the department as a local government user of  
80 diesel fuel.
- 81 (b) Local government users of diesel fuel shall be required  
82 to file a return accounting for diesel fuel acquisitions,  
83 inventory, and use, and remit a tax equal to 3 cents of the 4-  
84 cent tax required under s. 206.87(1) (a), plus the taxes required  
85 under s. 206.87(1) (b), (c), and (d) each month to the  
86 department.
- 87 (c) Any county, municipality, or school district not

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88 licensed as a local government user of diesel fuel shall be  
89 liable for the taxes imposed by s. 206.87(1) directly to the  
90 department for any highway use of untaxed diesel fuels.

91 (d) Each county, municipality, or school district may  
92 receive a credit for additional taxes paid under s. 206.87 for  
93 the highway use of diesel fuel, provided the purchases of diesel  
94 fuel meet the requirements relating to refunds for motor fuel  
95 purchases under s. 206.41.

96 (5) (a) Notwithstanding the provisions of this section  
97 allowing local bus transit systems to use dyed or otherwise  
98 untaxed diesel fuel in qualifying motor vehicles providing local  
99 public transportation over regular routes, each qualifying mass  
100 transit provider, to qualify for such use, must first register  
101 with the department as a mass transit system.

102 (b) Mass transit system providers shall be required to file  
103 a return accounting for diesel fuel acquisitions, inventory, and  
104 use, and remit a tax equal to the taxes required under s.  
105 206.87(1) (a) and (b) each month to the department.

106 (c) Any local provider not licensed as a mass transit  
107 system shall be liable directly to the department for any  
108 highway use of untaxed diesel fuels.

109 (d) Each licensed mass transit system may receive a credit  
110 for additional taxes paid under s. 206.87 for the highway use of  
111 diesel fuel, provided the purchases of diesel fuel meet the  
112 requirements relating to refunds for motor fuel purchases under  
113 s. 206.41.

114 (6) Diesel fuel contained in the fuel tanks of any motor  
115 vehicle entering this state and used to propel such motor  
116 vehicle into Florida from another state shall be exempt from the

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117 taxes imposed by this part but may be taxed under the provisions  
118 of chapter 207. Diesel fuel supplied by a vehicle manufacturer  
119 and contained in the fuel tanks of a new and untitled motor  
120 vehicle shall be exempt from the taxes imposed by this part.  
121 "Fuel tanks" means the reservoir or receptacle attached to the  
122 motor vehicle by the manufacturer as the container for fuel used  
123 to propel the vehicle.

124 (7) Biodiesel fuel manufactured by a public or private  
125 secondary school that produces less than 1,000 gallons annually  
126 for the sole use at the school, by its employees, or its  
127 students is exempt from the tax imposed by this part. A public  
128 or private secondary school that produces less than 1,000  
129 gallons a year of biodiesel is exempt from the registration  
130 requirements of this chapter.

131 Section 2. This act shall take effect July 1, 2010.