

Amend Section 60101 of the Diesel Fuel Tax Law to delete intercity bus operator as a person allowed to use dyed diesel fuel on the highway and repeal Sections 60045 and 60046 to delete the definitions of intercity bus and intercity bus operator. (Technical)

Source: Fuel Taxes Division

Existing Law

Revenue and Taxation Code Section 60101 allows an intercity bus operator who is registered as an interstate user to use dyed diesel fuel on the highway when lawful under the Internal Revenue Code. Section 60045 defines an intercity bus and Section 60046 defines an intercity bus operator.

HR 4520, American Jobs Creation Act of 2004, was signed on October 22, 2004 with an effective date of January 1, 2005, and it repealed the Internal Revenue Service's (IRS) provision that allowed an intercity bus to use dyed diesel fuel on the highway. The IRS dyed diesel fuel penalty will now apply to dyed diesel fuel used by an intercity bus on the highway. The state provision allowing the use of dyed diesel fuel on the highway by an intercity bus is obsolete with the change in the IRS law.

This Proposal

This proposal would delete the obsolete definitions of "intercity bus" and "intercity bus operator" and the provision that allows an intercity bus operator to use dyed diesel fuel on the highway. The state law will conform to the federal law.

Section 60045 of the Revenue and Taxation Code is repealed.

~~60045. "Intercity bus" means a bus used to furnish, for compensation, passenger land transportation that is available to the general public, in the case in which either of these conditions is met:~~

~~(a) The transportation is scheduled and along regular or irregular routes.~~

~~(b) The seating capacity of the bus is at least 20 adults, not including the driver.~~

~~For purposes of this section, passenger land transportation is available to the general public if the bus is available for hire to more than a limited number of persons, groups, or organizations.~~

Section 60046 of the Revenue and Taxation Code is repealed.

~~60046. "Intercity bus operator" includes any person that owns, operates, or controls an intercity bus, as defined in Section 60045.~~

Section 60101 of the Revenue and Taxation Code is amended to read.

60101. (a) Diesel fuel that is required to be dyed satisfies the dyeing requirement of this part if it meets the dyeing requirements of the United States Environmental Protection Agency and the Internal Revenue Service, including, but not limited to, requirements respecting type, dosage, and timing.

(b) Marking shall meet the marking requirements of the Internal Revenue Service.

(c) No person shall operate or maintain a motor vehicle on any public highway in this state with dyed diesel fuel in the fuel supply tank. This subdivision does not apply to uses of dyed diesel fuel on the highway that are lawful under the Internal Revenue Code or regulations promulgated thereunder, if the person is registered as a qualified highway vehicle operator, exempt bus operator, or government entity, ~~or if the person is an intercity bus operator, as defined in Section 60046, who is registered as an interstate user under this part.~~