

**79-3094. Same; rate of tax; computation; allowances; exempt transactions; reports; extent and effective date of tax.** There is hereby levied upon all motor fuels used, sold or delivered in this state for any purpose whatsoever a tax of two cents (2¢) per gallon or fraction thereof. Said tax shall be paid but once. Said tax shall be computed on all motor fuels received by each distributor, manufacturer or importer in this state and paid in the manner provided for herein: *Provided*, That an allowance of three and one-half percentum (3 1/2%) of the total gallonage received during each calendar month shall be made and deducted by the distributor to cover all ordinary losses in handling such motor fuels: *Provided, however*, That no allowance shall be made on any motor vehicle fuel exported from the state or sold to the United States of America or any of its agencies or instrumentalities as are now or hereinafter exempt by law from liability to state taxation: *Provided further*, That a distributor shall not be entitled to such allowance unless the principal business in which he or she is engaged is the business of marketing motor-vehicle fuels and petroleum products: *And provided further*, That no such allowance shall be made for any motor-vehicle fuel sold or disposed of to a consumer in tank car, transport, or pipe-line lots. No tax is hereby imposed upon or with respect to the following transactions:

(a) The sale or delivery of motor-vehicle fuel by a duly licensed distributor, manufacturer or importer to another duly licensed distributor, manufacturer or importer.

(b) The sale or delivery of motor-vehicle fuel for export from the state of Kansas to any other state or territory or to any foreign country.

(c) The sale or delivery of motor-vehicle fuel to the United States of America and such of its agencies as are now or hereafter exempt by law from liability to state taxation.

(d) The sale or delivery of motor-vehicle fuel to a contractor for use in performing work for the United States or those agencies of the United States above mentioned, provided such contractor has in effect with the United States or any such agency a cost-plus-a-fixed-fee contract covering the work.

Each distributor, manufacturer or importer shall make full reports and furnish such further information as the director may require with reference to all transactions upon which no tax is to be paid. Each distributor, manufacturer or importer shall make full reports and furnish such further information as the director of taxation, or his or her duly authorized deputy, agent or representative may require with reference to all transactions upon which no tax is to be paid: *Provided further*, That the effective date and total extent of the tax herein levied shall be as follows: In the event the existing tax of two cents (2¢) per gallon now levied on gasoline (motor fuel) by the federal government as set out and provided in 26 U.S.C., section 3412, or any amendment thereto, shall expire, be reduced or otherwise be determined at a rate of less than two cents (2¢) per gallon, then the tax here levied shall, at the time of said expiration, reduction or other determination, and upon the issuance by the governor of a proclamation stating the fact of said expiration, reduction or other determination and the date thereof, said proclamation to be published, filed and recorded as provided by law, become effective and in full force only to the extent said federal tax may expire or be reduced: *Provided further*, That said tax shall not become in force and effect in an amount less than one-half cent (1/2¢) per gallon or multiples thereof.

**History:** L. 1953, ch. 444, § 2; June 30.