

Chapter 8. Motor Oil Fee

4300. Definition of “Motor Oil” and Other Terms for Purposes of Fee Responsibility. - For purposes of fee responsibility under Sections 13430 and 13431 of the Business and Professions Code, “motor oil” includes natural, synthetic and re-refined motor oils, whether or not in retail containers, and in addition, any product used as an additive to a motor oil used in the lubrication of internal combustion engines. Refinery base stocks, manufacturing additives used by motor oil dealers in the commercial compounding and production of motor oils, and other motor oil components are not motor oils for the purposes of fee responsibility unless they are used separately in the lubrication of internal combustion engines, in which case they are “motor oils” for the purpose of the fee responsibility.

For purposes of this subchapter, the term “additive” when used alone, means any product to be added to the motor oil in the crankcase of an internal combustion engine for the purpose of reducing friction, heat or wear of the internal moving parts.

“Internal combustion engine” means all engines producing power by internal combustion and includes 2-cycle and 4-cycle internal combustion engines and turbine engines.

“Export” or “exported” means the delivery or shipment of motor oil by the dealer from a point in California to a point outside of California when, pursuant to the contract of sale, the motor oil is delivered by the dealer to:

- (a) the out of state point by facilities operated by the dealer; or
- (b) a carrier for shipment to a customer at the out of state point; or
- (c) a customs broker or forwarding agent for shipment to a location outside of California.

NOTE: Authority cited: Section 12027, Business and Professions Code. Reference: Section 13430, Business and Professions Code.

4302. Fee Responsibility and Exemption.

- (a) The first motor oil dealer that produces, sells or distributes motor oil in California, whether or not packaged in retail containers, shall pay the fee for all such motor oil sold in California.
- (b) Motor oil produced outside of California and transported into California for export shall be exempt from the motor oil fee, provided adequate accounting records substantiating exports from California are maintained and available for audit by the Director. In addition, motor oil exported for sale outside this State by a motor oil dealer, including such motor oil delivered by a motor oil dealer to any vessel clearing from a port of this State for a port outside this State and actually exported from this State in the vessel, is exempt from the fee provided for in Section 13431 of the Business and Professions Code and Section 4304 of Title 4, California Code of Regulations.

NOTE: Authority cited: Section 12027, Business and Professions Code. Reference: Sections 13430 and 13431, Business and Professions Code.

4304. Fees and Returns.

- (a) The fee provided for in Section 13431 of the Business and Professions Code is established at two cents (\$0.02) per gallon effective July 1, 1996.
- (b) Each person responsible for the payment of the fee shall file a return with the Department no later than 30 days after the quarter ending September 30, December 31, March 31, and June 30. The return shall be on a form provided by the Department, complete and accompanied by payment of the fee due for such transactions.
- (c) Any return not received by the Cashier, California Department of Food and Agriculture in Sacramento by the dates stated in subsection (b), not complete or not accompanied by the full fee due, is delinquent. A return that is postmarked not later than the fifth day of the month in which the return is due shall be deemed received by the date on which it was due.

NOTE: Authority cited: Sections 12027 and 13433, Business and Professions Code. Reference: Sections 13431-13433, Business and Professions Code.

4306. Penalties. - For any delinquency in making a return, or any deficiency in payment, the Director shall add to such delinquent payment a penalty of ten percent of the amount which is due. For delinquencies beyond one year, an additional one percent per month shall be added.

NOTE: Authority cited: Sections 12027 and 13433, Business and Professions Code. Reference: Sections 13431 and 13433, Business and Professions Code.

4307. Refund of Fees Paid. - All requests for refund of payments made pursuant to Section 4304 shall be submitted to the Department within three years from the date of the payment of the fee. Requests for refund shall contain the following information:

- (a) A letter requesting the refund, signed by an employee of the company with knowledge of the transactions;
- (b) A ledger sheet tabulating purchases and exports for which the refund is being requested;
- (c) Copies of invoices, vouchers, etc., documenting that the Motor Oil Fee was paid; and,
- (d) Copies of invoices, vouchers, bills of lading, etc., documenting that the motor oil was exported from California.

Requests for refunds submitted later than three years from the time of payment of the motor oil fee or not supported by the required documentation will be returned, unprocessed, to the sender by the Department.

NOTE: Authority cited: Sections 12027 and 13433, Business and Professions Code. Reference: Sections 13431-13433, Business and Professions Code.

4308. Records. - Each person required to file a return pursuant to Section 13431, Business and Professions Code, shall maintain in California or, with the Director's permission at another location, an accurate record of all transactions subject to fee assessment. Such records shall be subject to audit by the Director. The Director may require records kept outside of California to be copied and sent to California for audit. Alternatively, if the taxpayer elects to have all audits conducted out-of-state, the costs for the out-of-state audits will be reimbursed to the State by the taxpayer.

NOTE: Authority cited: Sections 12027 and 13433, Business and Professions Code. Reference: Sections 13431 and 13433, Business and Professions Code.