

FINAL REGULATORY FLEXIBILITY ANALYSIS

September 9, 2022

CR 22-044

Department of Revenue

Section Tax 4.54, relating to applicants for fuel tax licenses.

Final Regulatory Flexibility Analysis or Summary:

Applicants for fuel tax licenses:

- *Increase the dollar threshold for when the department must describe the reasons for requiring security before obtaining a fuel tax license.* The current rule provides that the department must describe the reasons for requiring security if the security is over \$100. Current rule also provides that the security amount is equal to the average quarterly fuel tax liability, increased to the next \$100. Most fuel tax license applicants have over \$1,000 quarterly tax liability. It is anticipated that raising the threshold to \$1,000 will not alleviate the department from describing the reasons for requiring security for most applicants.

- *Eliminate certificates of deposit as a form of security.* Certificates of Deposit (CD's) are not an acceptable form of security because an investor may redeem a CD by presenting the account number and their driver's license to the financial institution. The department could be left holding an original CD that has no value. In addition, the department has not accepted such form of security for license applicants since September 30, 2019.