

**138.446 Refund to city and suburban bus companies and taxicab companies -- Bond -- Application -- Audit.**

- (1) City and suburban bus companies and taxicab companies operating under a certificate of convenience and necessity issued pursuant to KRS Chapter 281, taxicab companies regulated by a consolidated local government organized under KRS Chapter 67C or by an urban-county government organized under KRS Chapter 67A, holders of a nonprofit bus certificate as provided by KRS 281.619, and senior citizen programs which utilize Title III funds of the Older Americans Act in the provision of transportation services shall be entitled to a refund of seven-ninths (7/9) of the amount of KRS Chapter 138 taxes paid on motor fuels used in their regularly scheduled operations in Kentucky.
- (2) No person shall be entitled to a refund pursuant to this section unless he shall have first filed with the department a bond issued by a surety company authorized to do business in Kentucky in an amount of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) to be determined by the department, conditioned upon faithful compliance with this section and upon the payment to the Commonwealth of any refunds to which he was not entitled.
- (3) Applications for refund shall be filed with the department on a calendar quarter or calendar year basis on forms and in the manner prescribed by it for refund of tax paid on motor fuel used by buses or taxicabs. Each application for a refund shall show the number of gallons of motor fuel purchased during the quarter for use in buses or taxicabs; the date and quantity of each purchase; the vendor from whom the fuel was purchased; the number of gallons on which refund is claimed; and other information the department may require. Invoices shall be attached to applications from taxicab companies.
- (4) The department may require any gasoline dealer or any dealer's authorized agent to identify gasoline sold by him for taxicab use by adding any chemical or substance, which shall be furnished by the department and used in the manner as prescribed by the department. The department also may require that the dealer keep a complete record of all the gasoline sold by him, which records shall give the date of each sale, the number of gallons sold, the name of the person to whom sold, and the sale price.
- (5) The department shall audit the application and make any other investigation it deems necessary to determine whether it constitutes a proper claim. When the department is satisfied that a refund is proper, it shall authorize seven-ninths (7/9) of the amount of the tax paid to be refunded as other refunds are made and the amount refunded shall be deducted from current motor fuel tax receipts. The tax shall be refunded with interest at the tax interest rate as defined in KRS 131.010(6).
- (6) When the department finds that an application for a refund contains a false or fraudulent statement or that a refund has been fraudulently obtained, the department shall refuse to grant any refunds to the person making the false or fraudulent statement or fraudulently obtaining a refund for a period of two (2) years from the date of the findings.
- (7) The department may prescribe, promulgate and enforce administrative regulations relating to the administration and enforcement of this section.

- (8) The refund provided for in this section shall be effective on motor fuel purchased on or after July 1, 1978.

**Effective:** June 20, 2005

**History:** Amended 2005 Ky. Acts ch. 85, sec. 382, effective June 20, 2005. -- Amended 2002 Ky. Acts ch. 274, sec. 12, effective July 15, 2002. -- Amended 1994 Ky. Acts ch. 65, sec. 14, effective July 15, 1994. -- Amended 1990 Ky. Acts ch. 98, sec. 14, effective January 1, 1991. -- Amended 1986 Ky. Acts ch. 496, sec. 20, effective August 1, 1986. -- Amended 1984 Ky. Acts ch. 411, sec. 2, effective July 13, 1984. -- Amended 1978 Ky. Acts ch. 208, sec. 1, effective June 17, 1978. -- Amended 1972 Ky. Acts ch. 61, sec. 8. -- Amended 1962 Ky. Acts ch. 203, sec. 10. -- Created 1960 Ky. Acts ch. 186, Art. IV, sec. 9.

**Formerly codified as** KRS 138.662.