

Kansas Administrative Regulations

Kansas Department of Revenue

Article 3.—Motor Fuel Tax and Transportation of Liquid Fuel

92-3-17a. License applications; bond requirements.

(a) Each applicant for a distributor, importer, or manufacturer license shall post a bond equal to a three months' average tax liability. New businesses may submit a bond equal to 25% of its estimated tax liability for a 12-month period. The bond shall not be less than the minimum required by statute. The bond requirements shall be met before a license is granted. The bond may be a surety bond executed by an approved corporate surety or a cash bond. Either a cashier's check payable to the director or an escrow account with a Kansas bank shall be used for a cash bond.

(b) The director may reduce the required bond to an amount equal to two months' tax liability, but not less than the minimum required by statute, in consideration of a satisfactory reporting history consisting of the prior 12 months in which there were no delinquencies or returned checks.

(c) Motor fuel tax bonds and financial statements shall be reviewed periodically by the director. The director may require an additional bond or a current certified financial statement if:

(1) the existing bond or financial statement is not sufficient to meet the current average three months' tax liability; or

(2) the licensee is not promptly filing or paying tax; or

(3) the corporate surety is no longer an approved surety. The licensee shall supply the additional bond or certified financial statement within 60 days of receiving notification. Notice shall be deemed received three days after depositing it in United States mail, postage prepaid.

(Authorized by K.S.A. 79-3419; implementing K.S.A. 79-3403, 79-3405; effective May 1, 1986.)