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State of Alabama Department of Revenue

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NOTICE

LUBRICATING OIL PERMIT HOLDERS

On June 9, 2011, Governor Robert Bentley signed into law Act 2011-565 with an effective date of this Act being October 1, 2012. The primary purpose of this Act is to move the point of taxation on motor fuel to the terminal rack. This Act also amends Section 40-17-171, Code of Alabama 1975, which pertains to lubricating oils.

Currently city and county governments are only exempt the \$.04 portion of the lubricating oil tax levy of \$.06 per gallon. Effective October 1, 2012, the entire tax levy of \$.06 per gallon on lubricating oil sold to city and county governing bodies will be exempt. The exempt sales to the city and county governing bodies should be recorded on line 10 of the lubricating oil tax return.

If you have any questions pertaining to this matter please contact our office.

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