

**RULES  
OF  
DEPARTMENT OF REVENUE  
PETROLEUM TAX DIVISION**

**CHAPTER 1320-7-3  
ADMINISTRATION OF TAXES ON PETROLEUM PRODUCTS**

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**1320-7-3-.01 BOND REQUIREMENTS.** The penal amount of a bond shall be for not less than the greater of one thousand dollars (\$1,000) or three (3) times the amount of the average monthly tax liability nor more than one hundred thousand dollars (\$100,000) except in the case of a taxpayer required to maintain a combination bond which shall have a minimum penal amount of three thousand dollars (\$3,000) and a maximum penal amount of two hundred thousand dollars (\$200,000). All taxpayers required to post bond for more than one type of activity will provide a combination bond subject to three thousand dollars (\$3,000) minimum penal amount. Periodic review shall be made of the bonds in force and, where indicated, demand may be made on the taxpayer to increase the penal amount of the bond in force to an amount which will satisfy the requirement that the penal amount of a bond be equal to at least three (3) times the average monthly tax liability. A taxpayer shall be allowed a maximum of thirty (30) days to comply with this provision from the time demand is made upon him to do so. Failure to do so within this time limit will subject the taxpayer to a possible cancellation or revocation of his license or permit. An immediate determination of established liability and demand for payment may also result.

**Authority:** T.C.A. §§67-3828 and 67-101. **Administrative History:** Original rule certified June 7, 1974. Amendment filed October 28, 1974; effective November 28, 1974. Repealed and new rule filed August 15, 1979; effective November 27, 1979.

**1320-7-3-.02 CARRIERS.**

- (1) A carrier who imports or delivers gasoline in Tennessee must be properly registered and bonded. Said carrier will be provided a class "B" permit in accordance with T.C.A. Section 67-3503.
- (2) A carrier who delivers gasoline, distillate, motor vehicle fuel, benzol, kerosene or any other liquid petroleum products or substitutes therefor to any person known by the said carrier not to have a permit to sell, store, use or distribute such products and thereafter fails to notify the department as required by law shall be liable for all privilege taxes, including the special tax, that the consignee would be required to pay in the event collection of this tax liability cannot be effected from the consignee. This liability shall include applicable penalty and interest.

**Authority:** T.C.A. §§67-3828 and 67-101. **Administrative History:** Original rule certified June 7, 1974. Amendment filed October 28, 1974; effective November 28, 1974. Repealed and new rule filed August 15, 1979; effective November 27, 1979.

**1320-7-3-.03 REPEALED.**

**Authority:** T.C.A. §§67-3828 and 67-101. **Administrative History:** Original rule certified June 7, 1974. Amendment filed October 28, 1974; effective November 28, 1974. Repeal filed August 15, 1979; effective November 27, 1979.

**1320-7-3-.04 REPEALED.**

**Authority:** T.C.A. §§67-3828 and 67-101. **Administrative History:** Original rule certified June 7, 1974. Amendment filed October 28, 1974; effective November 28, 1974. Repeal filed August 15, 1979; effective November 27, 1979.