



BUREAU OF MOTOR & ALTERNATIVE FUEL TAXES

## **NEW REQUIREMENTS FOR FINANCIAL GUARANTEES**

### **REDUCED BONDING AND OTHER FINANCIAL GUARANTEES**

We've heard taxpayers' concerns about the rising costs of bonds and other financial guarantees and we're making changes. Distributors now have the option to reduce the bond requirement from 1.5 months to one month. The amount of surety may not be reduced below the statutory minimum of \$2,500.

### **WHEN CAN I TAKE ADVANTAGE OF THE CHANGE?**

Qualifying taxpayers, who have remained in compliance with all Department of Revenue reporting and payment requirements for the last two years, can immediately take advantage of the one month bonding requirement even if you have submitted your bond or other financial guarantees as part of the 2016 permit renewal process. For additional information, visit [www.revenue.pa.gov](http://www.revenue.pa.gov) or contact MAFT at 800-482-4382.

### **Important notes:**

- The current criteria used to calculate the amount of a bond or other financial guarantee for taxpayers remains the only means by which bond amounts or other financial guarantees will be calculated for distributors who do not meet the above qualifications.
- Regardless of how a distributor's form of security is determined, all distributors seeking a permit **MUST** have a bond or other financial guarantee in place by June 1, 2016.

We are happy to answer any questions you have about this initiative. Please contact the Bureau of Motor and Alternative Fuel Taxes at 800-482-4382.