

**Motor Fuel Tax  
Information**

**By**

**State**

**Updated September 2017**

# **DISCLAIMER**

**The information in this booklet was obtained in June and July of 2017 and could have changed by the time of print.**

**DO NOT rely on this booklet as the current laws of the States.**

# STATE OF ALABAMA

## Section 1-Contact Information

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## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

**Gasoline:** 40-17-320 thru 40-17-363 (Effective October 1, 2012)

**Diesel:** 40-17-320 thru 40-17-363 (Effective October 1, 2012)

**Aviation and Jet Fuel:** 40-17-320 thru 40-17-363 (Effective October 1, 2012)

## Section 3-State Point of Taxation

**Gasoline:** Terminal (October 1, 2012)

**Diesel:** Terminal (October 1, 2012)

**Aviation Fuel:** Terminal (October 1, 2012)

**Jet Fuel:** Terminal (October 1, 2012)

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver-: Not defined in Alabama Motor Fuel Statutes

Point of Taxation: Code Section 40-17-326

Removal from the rack, import into Alabama, transfer of fuel in the bulk terminal system to a non-registered person, and/or blending of product outside the bulk terminal system

### **Section 5-State Tax Rates**

**Gasoline:** \$.18 per gallon (Effective October 1, 2016)

**Diesel:** \$.19 per gallon

**Aviation Fuel:** \$.095 per gallon (Effective October 1, 2012)

**Jet Fuel:** \$.035 per gallon (Effective October 1, 2012)

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

Act 2017-229 eliminated the decal requirement and suspended the Alabama excise tax until October 1, 2018 for CNG and LNG. This Act also sets the gasoline and diesel fuel gallon equivalent rates for CNG and LNG. The Diesel Gallon Equivalent (DGE) is 6.059 pounds of LNG for one gallon of diesel fuel and the Gasoline Gallon Equivalent (GGE) is 5.66 pounds or 126.67 cubic feet for one gallon of gasoline. Effective October 1, 2018, the excise tax is \$.08 per DGE or GGE. The excise tax will increase to \$.13 per DGE or GGE on October 1, 2023. On October 1, 2028, the excise tax will increase to \$.19 per DGE on LNG and \$.18 per GGE on CNG. If there is an increase in the excise tax between now and October 1, 2028, the excise tax will increase to the rate that is in effect on October 1, 2028 for CNG and LNG. Public sellers and fleet producers will be required to post a bond and get licensed and file monthly returns. Personal producers will be required to submit an annual application fee of \$100 per CNG vehicle. If the vehicle is purchased or converted during the year, reduced application fees apply.

Transmix is taxable at the rate of \$.19 per gallon effective August 1, 2013.

Effective June 1, 2015, importers importing motor fuel products from a bulk plant or from any other non-terminal storage facility will report the import of all motor fuel products on Schedule 3B on the importer return and remit payment by the 22nd day of each calendar month for the preceding month. Importers importing motor fuel from an out-of-state terminal from a supplier who did not collect the excise tax will still remit payment on or before the 3rd business day following importation.

Based upon Act 2015-54, the agricultural inspection fee will be added to the gasoline excise tax and the administration of the inspection fee will be transferred to the Department of Revenue effective October 1, 2016. The new gasoline excise tax rate will be \$.18 per gallon. The inspection fee rates for dyed diesel fuel will remain at \$.02 per gallon, dyed kerosene will remain at \$.01 per gallon, and lubricating oil will remain at \$.15 per gallon.

## **Section 7-State Collection Allowance**

Supplier and Permissive Supplier that timely file with payment may deduct from the amount of tax payable with the return an administrative discount of one half of one percent (.005) of the amount of tax payable to the state. (No Limit)

Supplier and Permissive Supplier that timely file with payment may deduct from the amount of tax payable with the return an administrative discount of one tenth of one percent (.001) of the amount of tax payable to the state not to exceed \$2,000 per month.

Licensed distributors or importers that timely pay the tax due to a supplier or permissive supplier may deduct from the amount due to the supplier or permissive supplier a discount of four tenth of one percent (.004) of the amount of tax payable.

## **Section 8-State Diversion Requirements**

**Diversion Required:** Yes

**If Diversion is required, please state Statue and/or Rule required to obtain a Diversion Number.**

Section 40-17-350

**What diversion registry program do you use?**

Fuel Trac

**What products are subject to the diversion requirement?**

Gasoline, Diesel, Aviation, and Jet Fuel

**Diversion Requirements**

Diversion must be reported and diversion number received before fuel is diverted to Alabama.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Only licensed suppliers or exporters can apply for refunds if they pay the tax and fuel is diverted to another state.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

No

**If not required, do you allow the Supplier/Distributor to rebill or a credit for the diverted load?**

Yes

**Any Additional Comments?**

**Section 9-Alternative Fuels Incentives and Laws**

**State Incentives**

**High Occupancy Vehicle (HOV) Lane Exemption**

None

**Electric Vehicle (EV) Equipment Tax Credit**

None

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.19/gallon	B100 is taxable	Subject to UST Fee	\$0.00/gallon	Not taxable	Not taxable

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$0.19/gallon.	Ethanol is taxable when blended with Gasoline. Subject to \$0.18/gallon. (Effective October 1, 2016)

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$.08 per GGE (Effective October 1, 2018)	
<b>E85</b>	\$.18 per gallon (Effective October 1, 2016)	
<b>Electric Vehicles/Electricity</b>		<b>Not Applicable</b>
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	\$.08 per DGE (Effective October 1, 2018)	
<b>LPG (Liquefied Petroleum Gas)</b>		<b>Decal – State LPG Board</b>

<b>Methanol or "M85"</b>		<b>Methanol - Not Applicable</b>  <b>M85 - \$.18 per gallon (when blended with gasoline) (Effective October 1, 2016)</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>Gasoline Blendstocks - Not taxable until blended</b>	<b>\$.18 per gallon (when blended with gasoline) (Effective October 1, 2016)</b>	<b>Not reportable until blended with gasoline</b>
<b>Biodiesel</b>	<b>\$.19 per gallon</b>	<b>Yes</b>
<b>Transmix</b>	<b>\$.19 per gallon</b>	<b>Yes</b>

**Section 14-How does your state handle contaminated fuel?**

Code Section 40-17-329 provides for a refund of the excise tax paid on contaminated fuel.

**Section 15-Does your state allow bad debt credits?**

Yes. In accordance with Code Section 40-17-343, the supplier or permissive supplier may deduct the tax payments that are not remitted by the licensed distributor or licensed importer if the supplier or permissive supplier notifies the state within 20 business days after a return is due of any licensed distributor, importer, or exporter who failed to pay the tax due.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Terminal Excise Tax Returns (Supplier, Permissive Supplier, Importer, Exporter, & Blender)	Due on or before the 22 <sup>nd</sup> day of the month following the month of activity	Due on or before the 22 <sup>nd</sup> day of the month following the month of activity.  Importers importing motor fuel acquired at an out-of-state terminal from a supplier who has not pre-collected the Alabama excise tax must remit the tax due on or before the 3 <sup>rd</sup> business day following the day of importation.

Transporter	Due by the last day of the month following the month covered by the report	No payment due by transporters
Terminal Operator – Annual Return	Due on or before January 31 for the prior calendar year	Due on or before January 31 for the prior calendar year
Terminal Operator – Monthly Return	Due by the last day of the month following the month covered by the report	No payment due by terminal operator
Wholesale Oil/Import License Fee	Due on or before October 14 of each calendar year for the period October 1 through September 30	Due on or before October 14 of each calendar year for the period October 1 through September 30
Storage Tank Trust Fund Charge	Due on or before the 20th day of the month following the month of activity	Due on or before the 20th day of the month following the month of activity

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

For items sent through the U. S Postal Service, we go by the postmark date for timely filing.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Return must be filed electronically before 4:00 pm CST on or before the due date of the payment.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The following business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Terminal Excise Tax Returns (Supplier, Permissive Supplier, Importer, Exporter, & Blender)	The greater of 10% of the tax due or \$50.00	10% of the tax due
Transporter	\$50.00, no tax due	No payment due
Terminal Operator – Annual Return	The greater of 10% of the tax due or \$50.00	1% per month or fraction thereof, not to exceed 25%

Terminal Operator – Monthly Return	\$50.00, no tax due	No payment due
Wholesale Oil/Import License Fee	The greater of 10% of the tax due or \$50.00	1% per month or fraction thereof, not to exceed 25%
Storage Tank Trust Fund Charge	The greater of 10% of the tax due or \$50.00	10% of the tax due

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is taxable as gasoline. Our law does not specify a percentage range to be classified as E85. We would default to the Federal requirement.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes. Transporters for hire must file monthly returns.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

Rule 810-8-1-.05 allows flash sales at the terminal. The excise tax is due based upon the destination state listed on the terminal issued shipping document.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Gasoline – No

Clear Diesel – Yes, if the excise tax is refunded for off-road use, then the product is subject to the state sales tax.

Dyed Diesel – Yes

The state sales tax rate is 4% of the sales price.

To change the rate would require an amendment to the statutes through the Legislature. The tax is imposed on value and it is collected at the retail level when the product is sold to the consumer.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

The bond requirement for a supplier, permissive supplier, or terminal operator is twice the average monthly liability. The maximum bond for a supplier, permissive supplier, or terminal operator is \$2,000,000.

The bond requirement for an exporter, importer, blender, or distributor is a minimum of \$2,000 or twice the average monthly liability, whichever is greater.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Alabama does not have a definition for the hierarchy of licenses in our statutes.

<b>Licenses Issued by Alabama</b>	<b>Who Remits Tax</b>
Supplier	Supplier
Permissive Supplier	Permissive Supplier
Terminal Operator	Supplier
Exporter	Supplier or Exporter
Importer	Supplier, Permissive Supplier, or Importer
Blender	Blender
Distributor	Supplier
Aviation Fuel Purchaser	Supplier
Exempt Entity	Supplier
Transporter	Supplier or Importer

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

When amending returns, the taxpayer must amend the entire return. They cannot amend just a portion of the terminal excise tax return.

**Section 28-Does your state allow credit and rebills on the current month report?**

Alabama does not require a supplier or distributor to rebill, but if the supplier rebills there is nothing in the law that states that the supplier cannot rebill. If they rebill, they are required to report the information based upon the month of activity. They cannot include a prior period on the current return.

**Section 29-How many days are allowed to report late loads?**

Transactions must be reported in the month of activity. If a load is left off of a return, the taxpayer should file an amended return for that period. You cannot include prior period information on the current return.

# STATE OF ALASKA

## **Section 1-Contact Information**

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## **Section 2-Statutes and Rules**

**Please give reference to your Statutes and Rules:**

Alaska statute 43.40 Motor Fuel Tax

Alaska Administrative Code 15 ACC 40.010-15AAC 40.900

## **Section 3-State Point of Taxation**

**Gasoline:** Distributor

**Diesel:** Distributor

**Aviation Fuel:** Distributor

**Jet Fuel:** Distributor

## **Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

**First Receiver-:** The receiver or user of the fuel that is not a qualified dealer.

**Point of Taxation:** Alaska Statute 43.40.010 taxes on the transfer or consumption of motor fuel. Alaska Statute 43.40.100(2)(F) excludes the tax on transfers between qualified dealers.

## **Section 5-State Tax Rates**

**Gasoline:** 8 cents per gallon

**Diesel:** 8 cents per gallon

**Aviation Fuel:** 4.7 cents per gallon

**Jet Fuel:** 3.2 cents per gallon

**Surcharge** of \$0.0095 per gallon on refined fuel sold, transferred, or used in Alaska (AS 43.40.005(a)). Refined fuel is defined as fuel produced from oil that is used in an engine, machine, or contrivance that creates heat, energy, or power (AS 43.40.100(5)).

## **Section 6-Rate Updates**

**Please list any rate updates for your state:**

No changes.

## **Section 7-State Collection Allowance**

One percent of the total monthly tax due per tax return, up to \$100 for each fuel type.

## **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?** NA

**What products are subject to the diversion requirement?**

**Diversion Requirements**

**What party should apply for refund if applicable? (Supplier, customer, etc)**

No surrounding states

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** N/A

## Section 9-Alternative Fuels Incentives and Laws

### State Incentives

There are currently no State incentives offered in Alaska

## Section 10-Taxability & Tax Rates for Biodiesel and Ethanol

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.08/gallon	B100 is taxable	None	\$0.08/gallon	Ethanol is taxable	None

## Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$0.08/gallon.	Ethanol is treated like gasoline. The rate is \$.08/gallon. Sales to licensed distributors are tax free.

## Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$0.08/gallon	<b>Industry standard</b>
<b>E85</b>	\$0.08/gallon	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	No tax	
<b>Gasoline Hybrid Vehicles</b>	No tax	<b>Not Applicable</b>
<b>Hydrogen</b>	No tax	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	\$0.08/gallon	<b>Industry standard</b>
<b>LPG (Liquefied Petroleum Gas)</b>	No tax	
<b>Methanol or “M85”</b>	\$0.08/gallon	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13 Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable
Any	.08	yes

**Section 14 How does your state handle contaminated fuel?**

Eligible for refund with a claim for refund

**Section 15 Does your state allow bad debt credits?**

No

**Section 16 Please provide the following information:**

Name of Report	Due Date of Report	Due date of Payment

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked date

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

11.59 pm on due date

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Next business day

**Section 20: What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
Diesel Return	5% every 30 days late. Max 25% for payment and report	5% every 30 days late. Max 25% for payment and report
Gasoline Return	5% every 30 days late. Max 25% for payment and report	5% every 30 days late. Max 25% for payment and report

Aviation Return	5% every 30 days late. Max 25%	5% every 30 days late. Max 25%
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**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Ethanol is treated like all other fuels.

**Section 22- Does your state require transporter returns and if so, who is required to report?**

No

**Section 23. (Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

Each party must report the activity.

**Section 24. Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

No.

**Section 25. What are your bonding requirements for your motor fuel license(s)?**

Twice the average tax liability or a minimum of \$5,000.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

The last sale from a distributor.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Entire return.

**Section 28-Does your state allow credit and rebills on the current month report?**

No. Credit and rebills need to be reported on the period they occurred.

**Section 29-How many days are allowed to report late loads?**

No requirement other than to amend the return as needed.

# STATE OF ARIZONA

## Section 1-Contact Information

**Agency:** Arizona Dept. of Transportation

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## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Arizona Revised Statutes (ARS) Title 28, Chapter 16, Article 1.

## Section 3-State Point of Taxation

**Gasoline:** At the terminal rack or at import.

**Diesel:** At the terminal rack or at import.

**Aviation Fuel:** At the terminal rack or at import.

**Jet Fuel:** N/A

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver: N/A

Point of Taxation: ARS 28-5606(D) states: Motor vehicle fuel and use fuel taxes imposed pursuant to this section on the use of motor vehicle fuel and use fuel and the aviation fuel taxes imposed pursuant to section 28-8344 on the use of aviation fuel, other than by bulk transfer, arise at the time the motor vehicle, use or aviation fuel either:

1. Is imported into this state and is measured by invoiced gallons received outside this state at a refinery, terminal or bulk plant for delivery to a destination in this state.
2. Is removed, as measured by invoiced gallons, from the bulk transfer terminal system or from a qualified terminal in this state.
3. Is removed, as measured by invoiced gallons, from the bulk transfer terminal system or from a qualified terminal or refinery outside this state for delivery to a destination in this state as represented on the shipping papers if a supplier imports the motor vehicle, use or aviation fuel for the account of the supplier or the supplier has made a tax precollection election pursuant to section 28-5636.

### **Section 5-State Tax Rates**

**Gasoline:** \$ .18 per Gallon

**Diesel:** \$ .18 per Gallon/Light Class Vehicles; \$ .26 per Gallon/Use Class Vehicles

**Aviation Fuel:** \$ .05 per Gallon

**Jet Fuel:** Not subject to Motor Fuel Taxes

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

### **Section 7-State Collection Allowance**

Per Arizona Revised Statutes 28-5640, a supplier or permissive supplier that properly remits under this article may retain four-tenths of one percent of the taxes imposed by this article. The collection allowance is capped at \$200,000.00 per calendar year.

### **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?** Fueltrac.

**What products are subject to the diversion requirement?** Gasoline, Diesel and Aviation Fuel.

**Diversion Requirements**

**What party should apply for the refund is applicable? (Supplier, customer, etc)**

If diverted by a licensee, the licensee shall perfect the exemption by filing an export refund application with the department within three (3) years after the diversion.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

Yes.

**If not required, do you allow the Supplier/Distributor to rebill or a credit for the diverted load?**

**Any Additional Comments?**

**Section 9-Alternative Fuels Incentives and Laws**

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.26/gallon	B100 is taxable	Subject to UST tax	Not Taxable	Not taxable	Not taxable

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$0.26/gallon.	Ethanol as a blendstock is not taxable, once blended with Gasoline it is subject to \$.18/gallon.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>		
<b>E85</b>	.18 cents per gallon	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>		
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>

<b>LNG (Liquefied Natural Gas)</b>		
<b>LPG (Liquefied Petroleum Gas)</b>		
<b>Methanol or "M85"</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>Ethanol</b>		<b>Yes</b>
<b>Toluline</b>		<b>Yes</b>
<b>Methanol</b>		<b>Yes</b>

**Section 14-How does your state handle contaminated fuel?**

Contaminated fuel is exempt as per Arizona Revised Statute 28-5610.

**Section 15-Does your state allow bad debt credits?**

No.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Fuel Supplier Report	27 <sup>th</sup> each month	27 <sup>th</sup> each month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

N/A - electronic filing is required.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Fuel Supplier Report mandated to be filed electronically. Due by 4:59 PM Arizona time on due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Fuel Supplier Report	\$25 late fee/ 5% of tax due penalty	1% per month
UST Tax Report	\$25 late fee/ 5% of tax due penalty	1% per month

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Same as gasoline – taxed at rate of 18 cents per gallon.

**Section 22- does your state require transporter returns and if so, who is required to report?**

No.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

If an entity owned the fuel cargo for even one second, they must report and they must show the Arizona taxes in invoicing. See ARS 28-5925(B).

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

ADOT only Administers the Arizona Fuel Excise Tax. Please contact Arizona Department of Revenue for questions about sales tax.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

The Arizona supplier license requires the licensee to post a surety bond in an amount equal to or greater than the highest monthly tax liability in the last twelve months, multiplied by two. Statutory minimum bond is \$5,000. Statutory maxim bond is \$5,000,000.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Suppliers are required to submit the entire report with amending the information that is changing.

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

Tax due late loads are subject to 5% penalty and 1% Interest per month until paid, except as provided in ARS 28-5621 (A).

# STATE OF ARKANSAS

## Section 1-Contact Information

**Agency:** Department of Finance and Administration- Motor Fuel Tax

**Name:** Rodney Richard

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**City, State Zip Code:** Little Rock, AR 72203

**Phone Number:** 501-682-4800

**Fax Number:** 501-682-5599

**E-mail Address:** Rodney.Richard@dfa.arkansas.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Motor Fuel Tax Law: Arkansas Code § 26-55-201 et seq.

Special Motor Fuels Taxes: Arkansas Code § 26-56-201 et seq.

Petroleum Environmental Assurance Fee (PEF): Arkansas Code § 8-7-906

Alternative Fuel Tax Law: Arkansas Code § 26-62-201 et seq.

## Section 3-State Point of Taxation

**Gasoline:** First Receiver Below the Rack

**Diesel:** First Receiver Below the Rack

**CNG:** First Receiver

**LNG:** First Receiver

**Aviation Fuel:** Final Consumer- subject to Arkansas Sales and Use Tax not Motor Fuel Tax

**Jet Fuel:** Final Consumer- subject to Arkansas Sales and Use Tax not Motor Fuel Tax

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver: means a supplier who purchases fuel from a pipeline importer or who imports fuel into the state by motor vehicle tank truck.

Point of Taxation: Tax is levied when the product is removed from a qualified terminal within the state for delivery to a location within state or when imported into the state for delivery to a bulk storage location within the state. The licensed First Receiver is responsible for collecting and reporting the taxes.

**Section 5-State Tax Rates**

**Gasoline:** .215 per gallon

**Diesel:** .225 per gallon

**Dyed Diesel:** .06 per gallon

**Biodiesel (except B100):** .225 per gallon

**CNG:** .05 per gallon

**LNG:** .05 per gallon

**Petroleum Environmental Assurance Fee (PEF):** .003 per gallon

**Aviation Fuel:** 6.5% State Sales and Use Tax plus local sales and use tax based on point of delivery

**Jet Fuel:** 6.5% State Sales and Use Tax plus local sales and use tax based on point of delivery

**Section 6-Rate Updates**

**Please list any rate updates for your state**

N/A

**Section 7-State Collection Allowance**

N/A

**Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

n/a

**What diversion registry program do you use?**

Fueltrac 3

**What products are subject to the diversion requirement?**

n/a

**Diversion Requirements**

n/a

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

The refund can only be paid to the party remitting tax to the state, which the supplier or distributor.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load? Yes**

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

### **State Incentives**

#### **Alternative Fuel Grants**

All grants issued through the Department of Energy Office for the State of Arkansas

#### **Idle Reduction Technology Loans**

The Arkansas Department of Environmental Quality has a small business loan program that provides low-interest loans to Arkansas small businesses to institute pollution control measures required by law to reduce the amount of pollution businesses produce. Idle reduction technologies for heavy-duty trucking applications are eligible for this loan. The maximum loan amount is \$45,000, with a \$65,000 lifetime maximum for any specific business. An eligible business must employ 100 individuals or less and demonstrate proof of profitability and the ability to repay the loan.

### **State Laws and Regulations**

#### **Alternative Fuels Tax**

Excise taxes on alternative fuels are imposed on a gasoline gallon equivalent basis. The tax rate for each type of alternative fuel is based on the number of motor vehicles licensed in the state that use each fuel type. (Reference [Arkansas Code](#) 26-62-201)

### **Natural Gas Metering**

No user, including an alternative fuel supplier of natural gas fuels, who utilizes natural gas for residential or other tax-free purposes, is permitted to use natural gas fuels in motor vehicles unless the natural gas fuels are removed through a separate meter installed by the alternative fuels supplier for such purposes. (Reference [Arkansas Code](#) 26-62-203)

### **Liquefied Petroleum Gas (LPG) Tax**

LPG as a motor fuel is taxed on a per vehicle basis through a yearly flat-fee special fuel user's permit. The amount of the fee is based on type of vehicle and the vehicle's Gross Vehicle Weight Rating. (Reference [Arkansas Code](#) 26-56-301 and 26-56-304)

### **Alternative Fuel Vehicle (AFV) Conversion**

Any individual or company who converts an AFV to operate on an alternative fuel must report the conversion to the Director of the Department of Finance and Administration within 10 days of the conversion. An owner or operator who fails to report such a conversion may be subject to a penalty. (Reference [Arkansas Code](#) 26-62-214)

## **Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
Not taxable	Not taxable	Not taxable	\$0.215/gallon	Ethanol is taxable	Subject to the Environmental Fee (.003 per gallon)

## **Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is not taxable. Any other blends such as B99 are taxed like diesel fuel. The tax rate is \$0.225/gallon for clear and \$0.06/gallon for dyed.	Treated like gasoline. The current tax rate is \$0.215/gallon.

## **Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or "M85", and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	<b>Yes</b>	<b>100 c.f. equal 1 gallon</b>
<b>E85</b>	<b>Yes</b>	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	<b>Yes</b>	

<b>Gasoline Hybrid Vehicles</b>	<b>Yes</b>	<b>Not Applicable</b>
<b>Hydrogen</b>	<b>Yes</b>	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	<b>Yes</b>	<b>5.37 lbs.</b>
<b>LPG (Liquefied Petroleum Gas)</b>	<b>Yes</b>	<b>Not Applicable</b>
<b>Methanol or "M85"</b>	<b>Yes</b>	<b>Not Applicable</b>
<b>Other</b>	<b>None</b>	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

**Section 14- Does your state handle contaminated fuel?**

No

**Section 15- Does your state allow bad debt credits?**

No

**Section 16- Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Motor Fuel Tax Return	25 <sup>th</sup> of following month	25 <sup>th</sup> of following month
Natural Gas Fuel	25 <sup>th</sup> of following month	25 <sup>th</sup> of following month
Dyed Diesel Tax	20 <sup>th</sup> of following month	20 <sup>th</sup> of following month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Yes

**Section 18-When filing a return electronically, what time is considered timely?**

By 11:59 of the due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next business day following the weekend of holiday

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

5 percent per month with a maximum of 35 percent

Name of Report	Report Penalties	Payment Penalties
Same as above		

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Is treated the same as gasoline.

**Section 22- Does your state require transporter returns and if so, who is required to report?**

No

**Section 23-(Tax at the rack states or first receiver states only) How does your state handle flash title transactions?**

The first licensed distributor/supplier is responsible for reporting and paying the tax for the fuel on their monthly gasoline or special fuel tax return.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

No

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Each licensed distributor and supplier is required to hold a surety bond of no less than one and a half (1½) times the prior six months' average of fuel tax due. Estimated gallons may be used in lieu of six month average.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Importer sells to First Receiver; the First Receiver is the responsible for remitting the tax.

Importer sells to unlicensed entity; the Importer is responsible for remitting the tax.

First Receiver sells to Importer/First Receiver/Unlicensed entity, then the First Receiver is responsible for the tax.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Our system requires the entire return to be amended.

**Section 28-Does your state allow credit and rebills on the current month report?**

No

**Section 29-How many days are allowed to report late loads?**

N/A

# STATE OF CALIFORNIA

## Section 1-Contact Information

**Agency:** California Department of Tax and Free Administration (CDTFA)

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## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

**Gasoline:**

Motor Vehicle Fuel Tax Law, Part 2, Division 2, Revenue and Taxation Code (R&T Code), Sections 7301 – 8526.

Regulations: Title 18, California Code of Regulations, Division 2, Chapter 1.

**Diesel:**

Diesel Fuel Tax Law, Part 31, Division 2, Revenue and Taxation Code (R&T Code), Sections 60001 – 60709.

Regulations: Title 18, California Code of Regulations, Division 2, Chapter 3.

**Aviation Fuel:**

Motor Vehicle Fuel Tax Law, Part 2, Division 2, Revenue and Taxation Code (R&T Code), Sections 7301 – 8526.

Regulations: Title 18, California Code of Regulations, Division 2, Chapter 1.

**Jet Fuel:**

Motor Vehicle Fuel Tax Law, Part 2, Division 2, Chapter 2.5, Aircraft Jet Fuel Tax, Revenue and Taxation Code (R&T Code), Sections 7385 – 7398.

Regulations: Title 18, California Code of Regulations, Division 2, Chapter 1

**Alternative Fuels:**

Use Fuel Tax Law, Part 3, Division 2, Revenue and Taxation Code (R&T Code), Sections 8601 – 9433.

Regulations: Title 18, California Code of Regulations, Division 2, Chapter 2.

**Section 3-State Point of Taxation**

**Gasoline:**

**Motor Vehicle Fuel Tax Law, R&T Code Section 7362 “Rack Removal”**

The tax is imposed on the removal of motor vehicle fuel in California from a terminal if the motor vehicle fuel is removed from the rack.

**R&T Code Section 7363 “Other”**

The tax is also imposed on all of the following:

- (a) The removal of motor vehicle fuel from a refinery if the removal is by bulk transfer and the refiner or the owner of the motor vehicle fuel immediately before the removal is not a licensed supplier, or if the removal is at the refinery rack.
- (b) The entry of motor vehicle fuel into California for sale, consumption, use, or warehousing if either of the following applies:
  - 1) The entry is by bulk transfer and the enterer is not a licensed supplier.
  - 2) The entry is not by bulk transfer.
- (c) The removal or sale of motor vehicle fuel in California to an unlicensed person unless there was a prior taxable removal, entry, or sale of the motor vehicle fuel.
- (d) The removal or sale of blended motor vehicle fuel in California by the blender thereof. The number of gallons of blended motor vehicle fuel subject to tax is the difference between the total number of gallons of blended motor vehicle fuel removed or sold and the number of gallons of previously taxed motor vehicle fuel used to produce the blended motor vehicle fuel.

**R&T Code Section 7364 “Backup tax”**

A "backup tax" is imposed:

- (a) on the delivery into the fuel tank of a motor vehicle fuel-powered highway vehicle of:
  - (1) Any motor vehicle fuel on which a claim for refund has been allowed; or
  - (2) any liquid on which tax has not been imposed by this part, Part 3 (commencing with section 8601, Use Fuel Tax Law), or Part 31 (commencing with Section 60001, Diesel Fuel Tax Law).

**Diesel Fuel:**

**Diesel Fuel Tax Law, R&T Code Section 60051 “Rack Removal”**

The tax is imposed on the removal of diesel fuel in California from a terminal if the diesel fuel is removed from the rack.

**R&T Code Section 60052 “Other”**

The tax is also imposed on all of the following:

- (a) The removal of diesel fuel in California from a refinery if the removal is by bulk transfer and the refiner or the owner of the diesel fuel immediately before the removal is not a diesel fuel registrant, or if the removal is at the refinery rack.
- (b) The entry of diesel fuel into California for sale, consumption, use, or warehousing if either of the following applies:
  - 1) The entry is by bulk transfer and the enterer is not a diesel fuel registrant.
  - 2) The entry is not by bulk transfer.
- (c) The removal or sale of diesel fuel in California to an unregistered person unless there was a prior taxable removal, entry, or sale of the diesel fuel.
- (d) The removal or sale of blended diesel fuel in California by the blender thereof. The number of gallons of blended diesel fuel subject to tax is the difference between the total number of gallons of blended diesel fuel removed or sold and the number of gallons of previously taxed diesel fuel used to produce the blended diesel fuel.

**R&T Code Section 60058 “Backup tax”**

A "backup tax" is imposed:

- (a) On the delivery into the fuel tank of a diesel fuel-powered highway vehicle of:
  - (1) Any diesel fuel that contains dye.
  - (2) Any diesel fuel on which a claim for refund has been allowed
- (3) Any liquid on which tax has not been imposed by this part, Part 2 (commencing with section 7301, Motor Vehicle Fuel Tax Law), or Part 3 (commencing with Section 8601, Use Fuel Tax Law).
- (b) On the sale of any diesel fuel on which a claim for refund has been allowed.
- (c) On the sale and delivery into the fuel tank of a diesel-powered highway vehicle of any diesel fuel that contains a dye or any liquid on which tax has not been imposed by this part, Part 2 (commencing with Section 7301), or Part 3 commencing with Section 8601).

**R&T Code Section 60116 “Interstate user component b rate”**

Commencing on July 1, 2013, and on each July 1 thereafter, the board shall establish a tax rate per gallon, rounded to the nearest one-tenth of one cent (\$0.001), by multiplying the average retail price per gallon (including the federal excise tax and excluding the state excise tax and the sales and use tax) of diesel fuel sold in this state by a percentage equal to the combined state and local sales tax rate established by Part 1 (commencing with Section 6001) and Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code and Section 35 of Article XIII of the California Constitution. The average retail price per gallon shall be the average of weekly retail prices for the 12-month period ending on the last day of January prior to the effective date of the new rate. In determining the average retail price per gallon, the board shall use the weekly average retail price as reported by the United States Energy Information Administration (EIA). In the event the EIA information is delayed or discontinued, the board

may base its determination on other sources of the average retail price of diesel fuel. The board shall make its determination of the rate no later than March 1 of the same year as the effective date of the new rate.

**Aviation Fuel:**

See Motor Vehicle Fuel above.

**Jet Fuel:**

**Motor Vehicle Fuel Tax Law, R&T Code Section 7392 "Rate of Tax"**

The tax is imposed upon every aircraft jet fuel dealer at the rate of \$0.02 for each gallon the aircraft jet fuel sold to an aircraft jet fuel user or used by the dealer as an aircraft jet fuel user. An aircraft jet fuel user means any person who uses aircraft jet fuel for the propulsion of an aircraft in California except the following:

- (a) A common carrier by air engaged in the business of transporting persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the authority of the laws of California, of the United States or of any foreign government.
- (b) A person engaged in the business of constructing or reconstructing by manufacture or assembly of completed aircraft, or modifying, overhauling, repairing, maintaining, or servicing aircraft.
- (c) The armed forces of the United States.

**Alternative Fuel:**

**Use Fuel Tax Law, R&T Code Section 8651 "Levy of tax"**

An excise tax is imposed on the use of fuel. Per Section 8604, fuel includes any combustible gas or liquid, by whatever name the gas or liquid may be known or sold, of a kind used in an internal combustion engine for the generation of power to propel a motor vehicle on the highways, except fuel that is subject to the tax imposed by Part 2 (commencing with Section 7301, MVF) or Part 31 (Commencing with Section 60001, diesel fuel)

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver-: Not applicable

Point of Taxation: This is covered in [Section 3](#) above.

**Section 5-State Tax Rates**

**Gasoline:** Effective July 1, 2017 through October 31,, 2017, \$0.297 per gallon. Effective November 1, 2017, the rate increases to \$0.417 per gallon. Rate is adjusted annually each July 1.

**Diesel:** Effective July 1, 2017 through October 31, 2017, \$0.16 per gallon. Effective November 1, 2017, rate increases to \$0.36 per gallon.

**Interstate User (IFTA):** Effective July 1, 2017 through October 31, 2017, the rate is \$0.37 per gallon. Effective November 1, 2017, the rate increase to \$0.570 per gallon. Rate consists of the diesel fuel excise tax rate plus the “component b” rate. Rate is reset annually each July 1.

**Aviation Fuel:** \$0.18 per gallon.

**Jet Fuel:** \$0.02 per gallon

**Alternative Fuel:** Section 8651, an excise tax is imposed for the use of "fuel" at eighteen cents (\$0.18) per gallon.

Section 8651.5, \$0.06 per each gallon of liquefied petroleum gas used.

Section 8651.6, effective January 1, 2015, \$0.0887 for each 126.67 cubic feet or 5.66 pounds, of compressed natural gas used, measured at standard pressure and temperature.

Section 8651.6, effective January 1, 2015, \$0.1017 for each 6.06 pounds of liquid natural gas used.

Section 8651.8, The excise tax imposed upon ethanol or methanol containing not more than 15 percent gasoline or diesel fuels is one-half the rate prescribed by Section 8651 for each gallon of fuel used.

The excise tax imposed on compress natural gas (CNG), liquefied natural gas (LNG), and liquefied petroleum gas (LPG) as vehicle fuels can be paid through an annual flat-fee rate sticker tax based on the following gross vehicle weight rating:

<b>Unladen Weight</b>	<b>Fee</b>
All passenger cars and other vehicles 4,000 pounds (lbs.) or less	\$36
More than 4,000 lbs. but less than 8,001 lbs.	\$72
More than 8,000 lbs. but less than 12,001 lbs.	\$120
12,001 lbs. or more	\$168

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

**Motor Vehicle Fuel:**

R&T Code sections 7360 increased the excise tax rate on motor vehicle fuel to 29.7 cents (\$0.297) per gallon effective July 1, 2017, and will increase it again effective November 1, 2017, to \$0.417 per gallon. The rate may be adjusted annually with the new rate effective July 1 of each year. This rate change is not applicable to aviation gasoline.

**Diesel Fuel:**

R&T Code section 60050 will increase the excise tax rate on diesel fuel to \$0.360 cents (\$0.36) per gallon effective November 1, 2017. The new component b rate for the 2017/18 period is

21.0 cents (\$0.21). These rates may be adjusted annually with the new rate effective July 1 of each year.

**Section 7-State Collection Allowance**

None

**Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?** Trac III System.

**What products are subject to the diversion requirement?** Not applicable, but we receive information on diesel fuel, gasoline and jet fuel.

**Diversion Requirements?** Not applicable.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Customer must request refund if applicable.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** We recommend the supplier rebill the transaction if tax is now due.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes. We bill the position holder as not having a valid export, and they are allowed to rebill their customer for the tax.

**Any Additional Comments?**

**Section 9 – Alternative Fuels Incentives and Laws**

Excise taxes on ethanol and methanol containing not more than 15% gasoline or diesel fuel are reduced to \$0.09 per gallon per R&T Code Section 8651 to 8651.8.

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.16/gallon through October 31,	B100 is diesel fuel and is taxed	Sales Tax	\$0.09/gallon as long as not more	Ethanol containing not more	Sales Tax.

2017 Effective November 1, 2017: \$0.36/gallon	under the Diesel Fuel Tax Law		than 15% gasoline is blended with ethanol.	than 15% gasoline is taxable as a "Use Fuel" at \$0.09 per gallon under the Use Fuel Tax Law. Ethanol containing more than 15% gasoline is taxed under the Motor Vehicle Fuel Tax Law at the current tax rate.	
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**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 or any blend is considered a diesel fuel and is taxed as diesel fuel. The tax is paid by the importer upon entry into California.	Licensing depends on the role in the distribution system. If importing 100% ethanol then no license is required. See Section 4 – " <i>Alternative Fuel</i> " for the application of the tax.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or "M85", and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	(1)	Rate per 126.67 cubic feet or 5.66 pounds
<b>E85</b>	(1)	Not Applicable
<b>Electric Vehicles/Electricity</b>	Not Taxed	Not Applicable
<b>Gasoline Hybrid Vehicles</b>	Not Taxed	Not Applicable
<b>Hydrogen</b>	Not Taxed	Not Applicable
<b>LNG (Liquefied Natural Gas)</b>	(1)	Rate per 6.06 pounds

<b>LPG (Liquefied Petroleum Gas)</b>	(1)	Not Applicable
<b>Methanol or “M85”</b>	(1)	Not Applicable
<b>Other</b>	(1)	Not Applicable

(1) See **Alternative Fuels** above.

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock<sup>(1)</sup></b>	<b>Tax Rate</b>	<b>Reportable</b>
Alkylate (122)	MVF Rate	
Butane (055)	MVF Rate	
Butene (122)	MVF Rate	
Catalytically cracked gasoline (122)	MVF Rate	
Coker gasoline (122)	MVF Rate	
Ethyl tertiary butyl ether (249 – ETBE)	MVF Rate	
Hexane (122)	MVF Rate	
Hydrocrackate (122)	MVF Rate	
Isomate (122)	MVF Rate	
Light naphtha (126)	MVF Rate	
Methyl tertiary butyl ether (093 – MTBE)	MVF Rate	
Mixed xylene (076 - not including any separated isomer of xylene)	MVF Rate	
Naphtha (126)	MVF Rate	
Natural gasoline (061)	MVF Rate	
Pentane (059)	MVF Rate	
Pentane mixture (059)	MVF Rate	
Polymer gasoline (122)	MVF Rate	
Raffinate (223)	MVF Rate	
Reformate (071)	MVF Rate	
Straight-run gasoline (065)	MVF Rate	
Straight-run naphtha (126)	MVF Rate	
Tertiary amyl methyl ether (121 – TAME)	MVF Rate	
Tertiary butyl alcohol (gasoline grade) (TBA) (122)	MVF Rate	
Thermally cracked gasoline (122)	MVF Rate	
Toluene (199)	MVF Rate	

Transmix containing gasoline (100)	MVF Rate	
Xylene (076)	MVF Rate	
Additives, miscellaneous (090)		Reportable
Alcohol (123)		Reportable
Benzene (248)		Reportable
Butylene (198)		Reportable
Compressed Natural Gas (224)		Reportable
Crude (001)		Reportable
E-75 (078)	MVF Rate	
E-85 (079)		Reportable
Ethanol (241)		Reportable
Ethylene (196)		Reportable
Hydrogen (259)		Reportable
Isobutane (058)		Reportable
Liquid Natural Gas (225)		Reportable
Methane (265)		Reportable
Methanol (243)		Reportable
Other (092) <sup>(2)</sup>		Reportable
Propane (054)		Reportable
Propylene (075)		Reportable
Biodiesel, B100 (284)	Diesel Rate	
Organic Oils (960)	Diesel Rate	
Soy Oil (285)	Diesel Rate	
Excluded Liquid (077)		Reportable
Heating Oil (152)		Reportable
Kerosene high sulfur dyed (074)		Reportable
Kerosene high sulfur undyed (147)		Reportable
Kerosene low sulfur dyed (073)		Reportable
Kerosene low sulfur undyed (145)		Reportable
Marine Diesel Oil (279)		Reportable
Marine Gas Oil (280)		Reportable
Residual Fuel Oil (175)		Reportable
Transmix (100)		Reportable
Transmix containing gasoline (100)	MVF Rate	
Waste Oil		Reportable

- (1) Applicable product code is provided with the type of blendstock. A complete list of California's product codes is available at: <http://www.boe.ca.gov/pdf/boe810ftb.pdf>.
- (2) Other, product code 092, applies to both MVF and diesel products.

**Section 14-How does your state handle contaminated fuel?**

There is an allowance for tax-paid diesel fuel lost through the accidental conversion of undyed diesel fuel to dyed diesel fuel or tax-paid diesel fuel lost through the intentional conversion of undyed diesel fuel to dyed diesel fuel in the ordinary course of handling (such as purging hoses) that may be claimed as a credit or refund. There are no such allowances for motor vehicle fuel (gas) or Use Fuel (alcohol fuels, CNG, LPG, LNG).

**Section 15-Does your state allow bad debt credits?**

Motor Vehicle Fuel – No  
 Diesel Fuel - Yes  
 Use Fuel - Yes

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Supplier of Motor Vehicle Fuel Tax Return, BOE-501-PS	Last day of the month following the monthly period to which it relates	Same as report's due date
Train Operator Information Report, BOE-506-PT	Same	N/A
Terminal Operator Information Report, BOE-506-PO	Same	N/A
Petroleum Carrier Report, BOE-506-PC	Same	N/A
Aircraft Dealer Jet Fuel Tax Return, BOE-501-MJ	Same	Same as report's due date
Supplier of Diesel Fuel Tax Return, BOE-501-DD	Same	Same
Exempt Bus Operator Diesel Fuel Tax Return,	Same	Same

BOE-501-DB		
Government Entity Diesel Fuel Tax Return, BOE-501-DG	Same	Same
Diesel Fuel Claim for refund on Nontaxable Uses, BOE-770-DU	N/A	N/A
Diesel Fuel Ultimate Vendor Report/Claim for Refund, BOE-770-DV	N/A	N/A
Diesel Fuel Tax Claim for Refund – Sales to Ultimate Purchasers, BOE-770-DVW	N/A	N/A
Claim for Refund on Nontaxable Sales of Exports of Diesel Fuel, BOE-770-DZ	N/A	N/A
Exempt Bus Operator Use Fuel Tax Return, BOE-501-AB	Last day of the month following the quarterly period in which the taxable use of the fuel occurs	Same as report's due date
User Use Fuel Tax Return, BOE-501-AU	Same	Same
Vendor Use Fuel Tax Return, BOE-501-AV	Same	Same
Interstate User Diesel Fuel Tax Return, BOE-501-DI	Last day of the month following the monthly period to which it relates	Same
IFTA Quarterly Fuel Use Tax Report	Last day of the month following the quarterly period to which it relates	Same

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked date

**Section 18-When filing a return electronically, what time is considered timely?  
(Example: 11.59 pm on due date)**

11:59 pm on due date

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Postmarked by the end of the next business day

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Supplier of Motor Vehicle Fuel Tax Return, BOE-501-PS	10% failure to file, section 7655(b) 10% failure to file when paying by EFT, section 7659.9(d)	10% failure to pay, section 7655(a) 10% failure to pay by EFT, section 7659.9(e)(f)
Aircraft Dealer Jet Fuel Tax Return, BOE-501-MJ	10% failure to file, section 7655(b) 10% failure to file when paying by EFT, section 7659.9(d)	10% failure to pay, section 7655(a) 10% failure to pay by EFT, section 7659.9(e)(f)
Supplier of Diesel Fuel Tax Return, BOE-501-DD	10% failure to file, section 60207(b) 10% failure to file when paying by EFT, section 60250(d)	10% failure to pay, section 60207(a) 10% failure to pay by EFT, section 60250(e)(f)
Exempt Bus Operator Diesel Fuel Tax Return, BOE-501-DB	10% failure to file, section 60207(b) 10% failure to file when paying by EFT, section 60250(d)	10% failure to pay, section 60207(a) 10% failure to pay by EFT, section 60250(e)(f)
Government Entity Diesel Fuel Tax Return, BOE-501-DG	10% failure to file, section 60207(b) 10% failure to file when paying by EFT, section 60250(d)	10% failure to pay, section 60207(a) 10% failure to pay by EFT, section 60250(e)(f)
Exempt Bus Operator Use Fuel Tax Return, BOE-501-AB	10% failure to file, section 60207(b) 10% failure to file when paying by EFT, section 60250(d)	10% failure to pay, section 60207(a) 10% failure to pay by EFT, section 60250(e)(f)
User Use Fuel Tax Return, BOE-501-AU	10% failure to file, section 8876(b) 10% failure to file when paying by EFT, section 8760(d)	10% failure to file, section 8876(a) 10% failure to pay by EFT, section 8760(e)(f)
Vendor Use Fuel Tax Return, BOE-501-AV	10% failure to file, section 8876(b) 10% failure to file when paying by EFT, section 8760(d)	10% failure to file, section 8876(a) 10% failure to pay by EFT, section 8760(e)(f)

Interstate User Diesel Fuel Tax Return, BOE-501-DI	10% failure to file, section 60207(b) 10% failure to file when paying by EFT, section 60250(d)	10% failure to pay, section 60207(a) 10% failure to pay by EFT, section 60250(e)(f)
IFTA Quarterly Fuel Use Tax Report	A penalty of \$50 or 10% of delinquent taxes, whichever is greater is imposed for failure to file a return or late filing	A penalty of \$50 or 10% of delinquent taxes, whichever is greater for underpayment of the taxes due

The penalties imposed are limited to a maximum of 10% of the tax for which the return is required.

**Section 21-How is E85 treated in your state?**

E85 is taxed at half the rate established in R&T Code Section 8651.

**What blends are considered to be reported as E85?**

Ethanol or methanol blended with gasoline or diesel fuel.

**What percentage range is considered E85?**

Ethanol or methanol containing not more than 15% gasoline or diesel fuel. The denaturant is not counted towards the 15% threshold.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

- **Vessel/barge/pipeline/train operators** file a BOE-501-PC, Petroleum Carrier Report – report receipts and deliveries of liquid petroleum product for product movements originating and/or terminating in California.
- **Train Operators** file BOE-506-PT, Train Operator Information Report – report all exempt purchases of undyed diesel fuel, dyed diesel fuel, and motor vehicle fuel for use in California.

**Section 23-(Tax at the rack states or first receiver states only) How does your state handle flash title transactions?**

- The position holder is the supplier responsible for reporting terminal rack removals and paying any applicable excise tax, not the transferee.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

- Sales tax applies to sales of gasoline, clear diesel and dyed diesel. There is an additional sales tax amount on retail sales of diesel fuel. There is a partial sales tax exemption of the additional sales tax for diesel fuel that is sold for use in a manner that is exempt from the diesel fuel tax imposed by RTC section 6001 and not subject to the backup tax imposed by RTC section 60058, or the government entity payment, and diesel fuel used in exempt bus operations. Motor vehicle fuel sales are exempt from the state-wide sales and use tax rate.
- The sales tax rates are set by the legislative process. Local municipalities and special taxing districts may also pass additional taxes that are added on to the statewide rate.
- Sales tax is calculated on the value of the MVF or diesel fuel sold.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

- [RTC § 7486](#) (MVF): The BOE may require any person to deposit security as it may determine appropriate. The amount of the security shall be fixed by the BOE but shall not be more than three times the estimated average monthly tax liability of the person. The total amount of security shall not be in excess of one million dollars (\$1,000,000) where the person has established to the satisfaction of the BOE that this security, together with property to which the lien imposed by Section 7872 attaches, is sufficient security to ensure payment of taxes equivalent to three times the estimated average monthly tax liability of the person.
- [RTC § 60401](#) (Diesel fuel): The BOE may require any person to deposit security as it may determine appropriate. The amount of the security shall be fixed by the BOE but shall not be more than three times the estimated average monthly tax liability of the person. The total amount of security shall not be in excess of one million dollars (\$1,000,000) where the person has established to the satisfaction of the BOE that this security, together with property to which the lien imposed by Section 60445 attaches, is sufficient security to ensure payment of taxes equivalent to three times the estimated average monthly tax liability of the person.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

- **Suppliers** are required to obtain a license, file returns as directed by the BOE, and remit any tax due.
- **Terminal operators, pipeline operators, vessel operators, and train operators**, are required to obtain a license and file reports as directed by the BOE. (Note: Terminal operators are required to obtain both a supplier's license and a terminal operator's license and file both the supplier's tax return and the terminal operator report.)

- **Ultimate vendors** are required to be licensed before engaging in business and must file monthly reports/claims for refund.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Depending on the data issues involved, the BOE may require a complete amended return with all the applicable data or just the supplemental data.

**Section 28-Does your state allow credit and rebills on the current month report?**

Yes.

**Section 29-How many days are allowed to report late loads?**

Suppliers should report transactions for the period in which the transaction occurred. There is no specific timeframe in which a supplier may report late loads. However, late information should be reported within a reasonable amount of time after becoming aware of the late information.

# STATE OF COLORADO

## Section 1-Contact Information

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**Phone Number:** (303)205-8216

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## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

39-27-101 through 123 {C.R.S.}

## Section 3-State Point of Taxation

**Gasoline:** After gasoline has left the terminal, the point of taxation is within three transactions between licensed distributors.

**Diesel/Special Fuel:** After diesel/special fuel has left the terminal, the point of taxation is within three transactions between licensed distributors. LPG is taxable when put in a fuel tank, unless the use is exempt, and when used from a cargo tank to propel a cargo tank motor vehicle.

**Aviation Fuel:** After the aviation fuel has left the terminal, the point of taxation is within three transactions between licensed distributors.

**Jet Fuel:** After the jet fuel has left the terminal, the point of taxation is within three transactions between licensed distributors.

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-: not defined in motor fuel statutes

Point of Taxation: 39-27-102. Tax imposed on gasoline and special fuel - deposits - penalties

(1) (a) (I) (A) An excise tax is imposed and shall be collected on all gasoline or special fuel acquired, sold, offered for sale, or used in this state for any purpose whatsoever, but only one tax shall be paid upon the same gasoline or special fuel in this state. Except as otherwise provided in this subparagraph (I), no more than three tax-deferred transactions shall take place after the gasoline or special fuel has left the terminal of its origin, either within or outside of this state; except that, for purposes of counting the applicable transactions in order to collect the tax imposed by this subparagraph (I), counting shall begin when the gasoline or special fuel first enters this state, whether by truck or by rail. If more than three distributors acquire the gasoline or special fuel, the third distributor shall be liable for payment of the tax imposed. Nothing in this paragraph (a) shall preclude previous distributors from paying the tax. A distributor shall not be required to pay tax on gasoline or special fuel that is exempt pursuant to [section 39-27-103](#) (2). The tax imposed shall be computed upon the total amount of gasoline or special fuel, measured in gallons, acquired by each distributor in this state and shall be paid in the manner provided in this section. For purposes of this sub-subparagraph (A), "special fuel" does not include liquefied petroleum gas.

(B) An excise tax is imposed on liquefied petroleum gas when it is placed in a fuel tank, unless the use of the special fuel is exempt. The tax imposed is computed upon the total amount of liquefied petroleum gas, measured in gallons, that is placed in the fuel tank. If the liquefied petroleum gas is placed in the fuel tank by a distributor, the distributor shall pay the tax to the department of revenue in accordance with this section.

(C) If a distributor uses liquefied petroleum gas from a cargo tank to propel a cargo tank motor vehicle on the highways in this state, an excise tax is imposed on the liquefied petroleum gas that is used as special fuel. The liquefied petroleum gas that is carried in the cargo tank but not used as special fuel is not subject to the excise tax. The tax imposed is computed upon an estimate of the total amount of liquefied petroleum gas, measured in gallons, used to propel the cargo tank motor vehicle based on the number of miles that the vehicle traveled. A distributor shall report to the department of revenue the number of miles that the vehicle traveled based on odometer readings. The department shall establish the form to be used to report this information.

### **Section 5-State Tax Rates**

**Gasoline:** \$.22/gallon

**Diesel:** \$.205/gallon

**Aviation Gasoline:** \$.06/gallon

**Jet Fuel:** \$.04/gallon

**For calendar year 2017**

**Compressed Natural Gas:** \$ .12/gallon equivalent

**Liquefied Natural Gas:** \$ .08/gallon

**Liquefied Petroleum Gas:** \$ .09/gallon

### **Section 6-Rate Updates**

**Please list any rate updates for your state:** LPG, LNG and CNG rates will change each year on January 1. The last rate change will be in 2019.

<b>Year</b>	<b>CNG</b>	<b>LNG</b>	<b>LPG</b>
2017	\$.12	\$.08	\$.09
2018	\$.15	\$.10	\$.11
2019	\$.183	\$.12	\$.135

### **Section 7-State Collection Allowance**

Loss/collection allowance rate is \$.02/gallon. LPG is not be subject to the loss/collection allowance rate.

### **Section 8-State Diversion Requirements**

**Diversion Required** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?** None

**What products are subject to the diversion requirement?**

Special Fuel and gasoline

#### **Diversion Requirements**

39-27-105 (7) (a) If any person other than a licensed distributor or supplier physically diverts to one or more destinations within the boundaries of this state all or any portion of a shipment of gasoline or special fuel that is claimed as an export on the bill of lading or other affidavit, such person shall report to the department of revenue the destinations within this state to which the diverted gasoline or special fuel shipment was delivered within one working day after such diversion. Such person shall be liable for payment of the excise tax established in this part 1 on the amount of gasoline or special fuel diverted to a destination within this state.

(b) Any licensed distributor or supplier who diverts gasoline or special fuel for use or sale within this state after claiming such shipment as an export shall report such diversion to the department of revenue within one working day after the diversion.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Party must be licensed to import or export. No refund would be needed.

**Do you require the Supplier/Distributor to re-bill or give a credit for the diverted load? Yes**

**If not required, do you allow the Supplier/Distributor to re-bill or give a credit for the diverted load?**

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

Colorado is the proud home of the Denver Metro ([www.denvercleancities.org](http://www.denvercleancities.org)), Northern Colorado ([www.northcocaleancities.org](http://www.northcocaleancities.org)), and Southern Colorado Clean Cities Coalitions ([southerncoloradocleancities.org](http://southerncoloradocleancities.org)).

### **State Incentives**

#### **High Occupancy Vehicle (HOV) Lane Exemption**

Vehicles that meet the definition of the EPA Inherently Low Emission Vehicle (ILEV) classification and have a gross vehicle weight rating of 26,000 pounds or less or hybrid vehicles may be operated upon HOV lanes regardless of the number of occupants and without payment of a special toll or fee. A permit must be obtained from the state Department of Transportation for either exemption.

#### **Low Emission Vehicle (LEV) Sales Tax Exemption**

Vehicles, vehicle power sources, or parts used for converting a vehicle power source certified to federal LEV standards or better are exempt from state sales tax. This exemption applies to vehicles, power sources, or parts for vehicles over 10,000 pounds gross vehicle weight rating based on statutory definitions and certifications. (Reference [Colorado Revised Statutes 39-26-719](#))

#### **Innovative Motor Vehicle and Alternative Fuel Vehicle Credits**

An income tax credit is available from the Colorado Department of Revenue for the incremental cost of purchasing an AFV or for the conversion of a vehicle to operate using an alternative fuel. PHEVs also qualify for this incentive. Legislation passed in 2014 added income tax incentives for heavy duty alternative fuel vehicles and clean fuel refrigerated trailers (Colorado HB14-1326).

For tax credits for purchases after January 1, 2010, please see FYI Income 67 at Colorado Department of Revenue's website, [www.taxcolorado.com](http://www.taxcolorado.com). Additional information on the

classification of qualifying vehicles, credit percentages by class, limitations, list of vehicles with tax credits and other pertinent information may be found.

(Reference [Colorado Revised Statutes](#) 39-22-516 and 39-22-516.5)

### **Biofuels Research Grants**

The Bioscience Discovery Evaluation Grant Program, administered by the Colorado Office of Economic Development, provides grants to research institutions for biofuels research projects. Biofuels research is defined as the use of microorganisms, specialized proteins, or thermal processes to develop biologically-based fuel production from plant or other biological material, including renewable agricultural sources, and the related processes that make traditional manufacturing of energy cleaner and more efficient. Grant eligibility requirements apply.

(Reference [House Bill](#) 1060, 2007, and [Colorado Revised Statutes](#) 24-48.5-108)

### **Alternative Fuels Charging Station Grants**

The Colorado Energy Office is administering an “ALT Fuels Colorado” grant program for partial funding of compressed natural gas fueling station equipment, and co-located electric vehicle charging and propane auto gas station equipment.

## **Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.205/gallon	B100 is taxable	Subject to ERS fee	\$0.22/gallon	Ethanol is taxable	Subject to ERS fee

## **Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. You need to have a Special Fuel Distributor License. The current tax rate is \$0.205/gallon.	Ethanol is treated like gasoline. Sales between licensed distributors are tax free. The current tax rate is \$0.22/gallon.

## **Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	For calendar year 2017 the tax rate is \$ .12/gallon equivalent	<ul style="list-style-type: none"> <li>The conversion rate will be measured by the volumetric reporting requirements that are included in the Federal Excise Tax Return, Form 720. The conversion rate</li> </ul>

		may also be obtained by using mass labeling requirements or the energy measure as promulgated by rule.
<b>E85</b>	\$0.22 per gallon	
<b>Electric Vehicles/Electricity</b>	A decal is required for all plug-in electric motor vehicles. [42-3-304 (25)(a) C.R.S.]	
<b>Gasoline Hybrid Vehicles</b>		
<b>Hydrogen</b>		
<b>LNG (Liquefied Natural Gas)</b>	For calendar year 2017 the tax rate is \$ .08/gallon	Taxed by gross gallon – DGE and GGE equivalents available at colorado.gov Website
<b>LPG (Liquefied Petroleum Gas)</b>	LPG is taxable when it is placed in a fuel tank, unless the use is exempt, or if a distributor uses LPG from a cargo tank to propel a cargo tank motor vehicle.	
<b>Methanol or “M85”</b>	\$0.22 per gallon	
<b>Other</b>	Biodiesel \$0.205 per gallon	

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

**Section 14-How does your state handle contaminated fuel?**

**Section 15-Does your state allow bad debt credits?**

Bad debt/ loss/ collection allowance rate is \$.005/gallon.

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmark date determines timeliness.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Returns are time as long as they are filed by the due date (11:59)

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The following business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
Fuel Distributor Report		
LPG Surcharge Report		

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

**Section 22-Does your state require transporter returns and if so, who is required to report?**

No

**Section 23-(Tax at the rack states or first receiver states only) How does your state handle flash title transactions?**

N/A

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

N/A

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Fuel distributors are required to obtain a bond for three times their monthly tax liability for all motor and aviation fuels acquired, imported, offered for sale, or used in Colorado. The bond requirement ranges from a minimum bond of \$25,000 to a maximum bond of \$200,000.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Any broker or person who acts as a supplier, manufacturer, and distributor of fuel must be licensed as a distributor. Any vendor of liquefied petroleum fuel or natural gas, other operator or contractor who uses LPG or CNG from a public utility, or a public utility that sells fuel through an alternative fuel vehicle charging or fueling facility must also be licensed as a distributor. In addition:

- Any person who imports fuel into Colorado must be licensed as an importer.
- Any person who acquires fuel in Colorado and delivers it to another state must be licensed as an exporter. To obtain an exporter license, one must present a copy of their fuel distributor license for the destination jurisdiction(s).
- Any person who blends fuel outside of the fuel distribution system, such as in refineries, must be licensed as a blender.
- Any carrier who transports fuel that they do not own must be licensed as a common carrier.
- A storage facility or a tank farm where fuel is stored and then removed for distribution must be licensed as a terminal operator.

Colorado allows up to three tax deferred transactions after the fuel has left the terminal of origin. The last licensed distributor within the three tax deferred transactions is liable for the tax.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

The entire return must be amended.

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

Transactions reported after the filing and payment due date are subject to additional penalties

# STATE OF CONNECTICUT

## Section 1-Contact Information

**Agency:** Department of Revenue Services

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## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Title 12, Chapter 221 Motor Vehicle Fuels Tax, §12-455 – 12-476; Title 12, Chapter 227 Sale of Petroleum Products Gross Earnings Tax, §12-587 – 12-602; Conn. Agencies Regs. §12-602-1a Definitions and §12-602-2 Credits and Deductions

## Section 3-State Point of Taxation

**Gasoline:** Distributor

**Diesel:** Distributor

**Aviation Fuel:** Distributor

**Jet Fuel:** Distributor

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver:-

Point of Taxation: Distributor Conn. Gen. Stat. § 12-458(a)(2)

## **Section 5-State Tax Rates**

**Gasoline:** 25¢ per gallon motor vehicle fuels tax and 8.1% petroleum products gross earnings tax

**Diesel:** 41.7¢ per gallon (effective 7/1/17 through 6/30/18)

**Aviation Fuel:** Exempt from motor vehicle fuels tax subject to 8.1% petroleum products gross earnings tax

**Jet Fuel:** Exempt from motor vehicle fuels tax subject to 8.1% petroleum products gross earnings tax

## **Section 6-Rate Updates**

**Please list any rate updates for your state:** The diesel fuel tax rate is adjusted annually on July 1<sup>st</sup> of each year based on the wholesale price of diesel fuel in CT during the previous April 1 through March 31 period. For the previous period of 7/1/16 to 6/30/17 the diesel fuel tax rate was 41.7¢ per gallon.

## **Section 7-State Collection Allowance**

None

## **Section 8-State Diversion Requirements**

**Diversion Required**

No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?** None

**What products are subject to the diversion requirement?** N/A

**Diversion Requirements** N/A

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Refund is not applicable.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

Yes, Connecticut is a tax at the distributor level state therefore any adjustment would be handled via the distributor's monthly tax return

If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load? See previous answer

Any Additional Comments?

**Section 9-Alternative Fuels Incentives and Laws**

State Incentives: None at this time.

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.41.7/gallon	B100 is taxable when sold as a motor vehicle fuel	None	\$0.25/gallon	Ethanol is taxable	None

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. You need to have a Special Fuel Distributor License. The current tax rate is \$0.417/gallon	Ethanol is treated like gasoline. The tax rate is \$0.25/gallon. Sales to licensed distributors are tax free.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Yes at 26¢ per gallon	123.57 cubic feet equals 1 gallon
<b>E85</b>	Yes at 25¢ per gallon	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	No	
<b>Gasoline Hybrid Vehicles</b>	Yes at 25¢ per gallon	<b>Not Applicable</b>
<b>Hydrogen</b>	Unknown	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Yes at 26¢ per gallon	<b>Not Applicable</b>
<b>LPG (Liquefied Petroleum Gas)</b>	Yes at 26¢ per gallon	5.75 lbs. equals 1 gallon
<b>Methanol or</b>	Yes at 25¢ per gallon	<b>Not Applicable</b>

“M85”		
Other		Not Applicable

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable
If blended with gasoline	25¢ per gallon	Yes
If blended with diesel fuel	41.7¢ per gallon	Yes

**Section 14-How does your state handle contaminated fuel?**

No refunds are allowed, contaminated fuel usually is blended with waste oils.

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment
Motor Vehicle Fuels Tax Return (O-MF)	25 <sup>th</sup> day of the month following the preceding calendar month.	25 <sup>th</sup> day of the month following the preceding calendar month.
Tax Paid – Motor Vehicle Fuel Tax Return (O-MF 1)	25 <sup>th</sup> day of the month following the preceding calendar month.	25 <sup>th</sup> day of the month following the preceding calendar month.
Special Fuel Tax Return (OP-216)	25 <sup>th</sup> day of the month following the preceding calendar month	25 <sup>th</sup> day of the month following the preceding calendar month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

The postmark date is used to consider the timeliness of a filed tax return.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Do not have electronic filing of fuel tax returns.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
O-MF	10% or \$50 whichever is greater	EFT Penalties: 1 – 5 days late is 2%; 6 – 15 days late is 5%; 16 days and more is 10%; Late payment via check is a flat 10%
O-MF 1	See above	See above
OP-216	See above	See above

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

It is treated as gasoline and taxed at the gasoline tax rate of 25¢ per gallon.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

No

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

N/A

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

No

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Two months' worth of liability from the preceding calendar year with a minimum \$5,000. There is no set maximum amount

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Distributor

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Entire return

**Section 28-Does your state allow credit and rebills on the current month report?**

Allowed, however must file amended return

**Section 29-How many days are allowed to report late loads?**

Activity occurring in a calendar month must be reported in that month's return

# **STATE OF DELAWARE**

## **Section 1-Contact Information**

**Agency:** Delaware Division of Motor Vehicles/Transportation Services

**Name:** Andrea (Ann) Bayline, Audit & Compliance Operations Manager

**Street Address:** 303 Transportation Circle

**City, State Zip Code:** Dover, DE 19901

**Phone Number:** (302) 744-2729

**Fax Number:** (302) 739-2143

**E-mail Address:** Andrea.Bayline@state.de.us

## **Section 2-Statutes and Rules**

**Please give reference to your Statutes and Rules:**

Title 30, Chapter 51 (Subchapter I Gasoline, Subchapter II-Special Fuel)

## **Section 3-State Point of Taxation**

**Gasoline:** Distributor

**Diesel:** Supplier

**Aviation Fuel:** Distributor

**Jet Fuel:** Non-taxable

## **Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver-: N/A

Point of Taxation: Delaware is not a rack state; Delaware taxes at the Distributor/Supplier level.

## **Section 5-State Tax Rates**

**Gasoline:** 23 cents per gallon

**Diesel:** 22 cents per gallon

**Aviation Fuel:** 23 cents per gallon

**Jet Fuel:** Non-taxable

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

None currently or anticipated in the next fiscal year.

### **Section 7-State Collection Allowance**

We do not have any collection allowance.

### **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.** N/A

**What diversion registry program do you use?** National Fuel Diversion Registry (for compliance purposes only using FUELTRAC.US system)

**What products are subject to the diversion requirement?** None required statutorily

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Must be licensed to Import or Export. No refund would be needed. We would allow a refund if the company exported the fuel and was not licensed subject to approval.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** yes

**Any Additional Comments?** We currently participate in the National Fuel Diversion Registry (using FUELTRAC.US) and use the information for compliance purposes only.

### **Section 9-Alternative Fuels Incentives and Laws**

The Motor Fuel law has not had any updates to address alternative fuels and incentives.

In 1993, Delaware became the Fourth state in the nation to join the Clean Cities effort. We initiated the Clean State Program due to our small land area. Stakeholders in the program include local, state, and national government agencies, power companies, and the private sector. Our goal is to provide citizens and fleet companies with sufficient information on alternative fuels and their benefits in order to promote the growth of AFV use in Delaware. More information about this program can be found on the web at <http://www.delaware-energy.com/clean-state-program.htm>

**State Incentives**

There are currently no known State incentives offered in Delaware

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.22/gallon	B100 is taxable	Subject to Hazardous Substance Tax	\$0.22/gallon	Ethanol is taxable when blended with unfinished gasoline	None

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. You need to have a Special Fuel Distributor License. The current tax rate is \$0.22/gallon.  The B100 in dyed diesel is not taxable.	100% denatured Ethanol is considered a motor fuel blending component and as such there are no licensing or reporting requirements to buy or sell this product. Ethanol becomes taxable when mixed with gasoline or sold into a supply tank of a motor vehicle. Current tax rate is \$0.23/gallon. Greater mixture of 50% or more (E-85) it is considered special fuel and taxed at \$0.22/gallon.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed)</b>	Taxable as special fuel	<b>One gallon of LNG = 5.66</b>

Natural Gas)		pounds (Administrative –no specific law or regulation enacted)
E85	Taxable as special fuel	Not Applicable
Electric Vehicles/Electricity	None	
Gasoline Hybrid Vehicles	Taxable as motor fuel	Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	Taxable as special fuel	One gallon of LNG = 6.06 pounds (Administrative –no specific law or regulation enacted)
LPG (Liquefied Petroleum Gas) - Propane	Taxable as special fuel	One Pound of LP Gas = .2359 gallons, One gallon of LP Gas = 4.239 pounds
Methanol or “M85”	Taxable as special fuel	Not Applicable
Other		Not Applicable

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable
Blendstock that is not blended with unfinished gasoline is not reportable or taxable.		

**Section 14-How does your state handle contaminated fuel?**

The Motor Fuel Tax Administration Section is only responsible for excise taxes.

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

The State of Delaware considers the postmarked date to determine if a tax return is filed timely.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

The State of Delaware does not currently have electronic filing of tax returns. In some cases, the State of Delaware will accept a return via email (excel format) as long as it is received by 4:30 PM on the due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

When the twenty-fifth day of a given month falls on a weekend or state holiday, the due date of the statement and tax is the next following business day of the State.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
Transporter	If any carrier fails to file a report as required by this section, a penalty of \$5.00 per business day shall accrue until said report is filed up to a maximum amount of \$25 for each report; however, the Department may waive all or part of the penalty if it is established to the satisfaction of the Department that failure to file the report was not with intent to violate the law.	
Special Fuel	In case any special fuel licensee refuses or fails to file a report required by this chapter within the time prescribed by subsection (b) of this section, there is hereby imposed a penalty of \$5.75 per business day of this State up to a maximum of \$28.75 for each such report. For each report filed more than 5 business days late, the penalty shall be \$28.75 or 12 percent of the tax due, whichever is greater, for each such report. Any tax due shall also bear interest at the rate of 1 percent per month, or fraction thereof, until same is paid; provided, however, that if any such licensee shall	If a check received in payment of moneys due the Department under this subchapter shall be returned to the Department by the maker's bank because of insufficient funds, closed account, stopped payment or any other reason, there shall be imposed upon the maker a service charge of \$10, and interest at the rate of 1 percent per month, or fraction thereof, shall accrue on the tax from the date such tax was due to be paid.

	<p>establish by a fair preponderance of evidence that the failure to file a report within the time prescribed was due to reasonable cause and was not with intent to violate the law, the Department may waive all or any part of the penalty provided by this subsection.</p> <p><i>Failure to pay tax.</i> — When a licensee files a report but fails to pay in whole or in part the tax due hereunder, there shall be added to the amount due and unpaid, interest at the rate of 1 percent per month, or fraction thereof, from the date such tax was due to the date of payment in full thereof.</p> <p>(g) <i>Deficiency.</i> — If it be determined by the Department of Transportation that the tax reported by any licensee is deficient, the Department shall proceed to assess the deficiency on the basis of information available to the Department and there shall be added to this deficiency interest at the rate of 1 percent per month, or fraction thereof, from the date such tax was due to the date of payment in full thereof.</p>	
Distributor	A penalty of \$5.75 per business day shall accrue up to a maximum of \$28.75 for each report.	A penalty of \$5.75 per business day shall accrue up to a maximum of \$28.75 for each report.
	For each report filed more than 5 business days late, the penalty shall be \$28.75 or 12 percent of the tax due, whichever is greater, for each such report. Any tax due shall also bear interest at the rate of 1 percent per month, or fraction thereof, until same is paid; however, the Department may waive all or any part of the penalty and interest when it is established to the satisfaction of the Department that failure to file the monthly report or pay the tax by the twenty-fifth day of the month was not with intent to violate the law.	For each report filed more than 5 business days late, the penalty shall be \$28.75 or 12 percent of the tax due, whichever is greater, for each such report. Any tax due shall also bear interest at the rate of 1 percent per month, or fraction thereof, until same is paid; however, the Department may waive all or any part of the penalty and interest when it is established to the satisfaction of the Department that failure to file the monthly report or pay the tax by the twenty-fifth day of the month was not with intent to violate the law.
		If any distributor shall be in default for more than 10 days in payment of any

		<p>taxes and/or penalties thereon payable under the terms of this chapter, the Department of Transportation may issue a warrant under its official seal, and signed by its Chairperson, directed to the sheriff of any county of the State, commanding the sheriff to levy upon and sell the goods and chattels of such distributor, without exemption, found within the sheriff's jurisdiction, for the payment of the amount of such delinquency, with the added penalties and interest and the cost of executing the warrant, and to return such warrant to the Department and to pay the Department the money collected by virtue thereof within the time to be therein specified, which shall not be less than 20 nor more than 60 days from the date of the warrant. The sheriff, to whom any such warrant is directed, shall proceed upon the same in all respects and with like effect and in the same manner as prescribed by law in respect to executions issued against the goods and chattels upon judgments by a court of record, and shall be entitled to the same fees for services in executing the warrant, to be collected in the same manner; provided, that nothing in this section shall be construed as forfeiting or waiving any rights to collect such taxes by an action upon any bond that may be filed with the Department of Transportation under the provisions of this chapter, or by suit or otherwise, and in case such suit, action or other proceeding shall have been instituted for the collection of said tax, such suit, action or other proceeding shall not be construed as waiving any other right herein provided.</p>
		<p>a) Whoever violates any provision of this chapter (51), a penalty for which is not otherwise provided, or fails or refuses to pay the tax imposed by this chapter, or engages in business in this State as a distributor or retailer without being the holder of an uncancelled license to engage</p>

		<p>in such business, or makes any false statement in any application, report or statement required by this chapter, or refuses to permit the Department of Transportation or any deputy to examine records as provided by this chapter, or fails to keep proper records of quantities of gasoline received, produced, refined, manufactured, compounded, sold, used and/or delivered in this State as required by this chapter, or collects or causes to be repaid to any person any tax not being entitled to the same under the provisions of this chapter shall, for the first offense, be fined not more than \$500, or imprisoned not more than 6 months, or both, and for a second and any subsequent offense shall be fined not more than \$1,000, or imprisoned not more than 1 year, or both. In addition to the penalty imposed in conformity to the above, the defendant shall be required to pay all taxes and penalties due the State under this chapter and/or pay to the State any other moneys wrongfully withheld or illegally refunded. Each day or part thereof during which any person shall engage in business as a distributor or retailer without being the holder of an uncanceled license shall constitute a separate offense within the meaning of this section.</p> <p>(b) Whoever refuses or neglects to make any statement, report or return required by this chapter (51), or knowingly makes, or aids or assists any other person in making a false statement in a report to the Department of Transportation or in connection with an application for refund of any tax, or sells any gasoline purchased by such person from any person other than a duly licensed distributor upon which the tax herein imposed shall not be paid shall, when no other penalty of fine and/or imprisonment is imposed by this chapter, be fined not less than \$100 nor more than</p>
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		\$1,000, or imprisoned not less than 30 days nor more than 1 year, or both. The Superior Court of this State shall have exclusive jurisdiction over violations of this chapter
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**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

The State of Delaware treats E85 as a special fuel.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes, Delaware does require transporter returns. The requirements are as follows: Every railroad company, suburban or interurban railroad company, pipeline company, water transportation company and common carrier transporting gasoline, either in interstate or in intrastate commerce, to points within this State, and every person, except distributors, transporting gasoline by whatever manner to a point in this State from any point outside this State shall report

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

Delaware is not a rack state. Delaware taxes at the Distributor/Supplier level. We are not aware of any recent flash title transactions.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

There is no sales tax imposed in Delaware.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

A surety bond must also be provided by all licensed companies to protect the State against any unpaid tax liabilities (required to be approximate the sum of 3 times the average monthly tax due). These bonds range from a minimum of \$5,000 to a maximum of \$200,000 and may have to be increased periodically if their operations change. The Motor Fuel Office continuously monitors the surety bond coverage and requires the bonds to be increased as needed.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

The Motor Fuel Tax Administration is solely responsible for excise taxes and licensure based on the Motor Fuel Tax law.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Delaware will accept amending only the information that is changing in some cases. However, there may be other cases based on company and their reporting history in which the entire return will be required to be amended.

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

Delaware has 3 years is the statute for us to collect. We will accept amended returns going back this far. If it is non-taxable, we advise to report the loads in the current month.

**STATE OF DISTRICT OF COLUMBIA** *(Last updated 2014)*

**Section 1-Contact Information**

**Agency:** Office of Tax and Revenue

**Name:** Marilou Mintac

**Street Address:** 1101 4<sup>th</sup> Street, SW

**City, State Zip Code:** Washington D.C. 20024

**Phone Number:** 202-442-6584

**Fax Number:** 202-442-6883

**E-mail Address:** marilou.mintac@dc.gov

**Section 2-Statutes and Rules**

**Please give reference to your Statutes and Rules:**

DC Code Section 47-2301

**Section 3-State Point of Taxation**

**Gasoline:** First import

**Diesel:** First import

**Aviation Fuel:** First import

**Jet Fuel:** First import

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver:-

Point of Taxation:

**Section 5-State Tax Rates**

**Gasoline:** \$.235 per gallon

**Diesel:** \$.235 per gallon

**Aviation Fuel:** \$.235 per gallon

**Jet Fuel:** \$.235 per gallon

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

Effective October 1, 2013, under newly-enacted legislation, the District is required to levy and collect a tax on motor vehicle fuels equal to 8.0 percent of the average wholesale price of a gallon of regular unleaded gasoline. The average wholesale price is to be calculated for twice a year **and in no case shall the price computed be less than \$2.94**. The average wholesale price of a gallon of motor vehicle fuel will be computed by using the monthly Central Atlantic (PADD 1B) Regular Gasoline Wholesale/Resale Price compiled by the US Energy Information Administration for the six month periods ending in June and December of each year.

### **Section 7-State Collection Allowance**

None

### **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

n/a

**What diversion registry program do you use?**

n/a

**What products are subject to the diversion requirement?**

n/a

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Supplier must request refund.

**Do you require the Supplier/Distributor to rebill and give a credit for the diverted load?**

Yes

**If not required, do you allow the Supplier/Distributor to rebill and give a credit for the diverted load?**

**Any Additional Comments?**

## Section 9-Alternative Fuels Incentives and Laws

The District of Columbia is the proud home of the Washington Metropolitan Clean Cities Coalition. Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

#### **Hybrid Electric Vehicle (HEV) and Alternative Fuel Vehicle (AFV) Tax Exemption**

The District of Columbia Department of Motor Vehicles Reform Amendment Act of 2004 allows for the exemption of vehicle excise taxes for owners of HEVs, AFVs, and lean-burn vehicles, provided that the vehicle qualifies for the federal tax credit under the Energy Policy Act of 2005. Additionally, vehicle registration fees for qualified HEVs and AFVs are reduced to \$36 per year. The reduced rate applies to the first two years of registration and only the original purchaser is eligible. 50-2201.03(j) and 50-1501.03)

#### **Alternative Fuel Vehicle Exemption from Driving Restrictions**

Clean fuel vehicles are exempt from time-of-day and day-of-week restrictions and commercial vehicle bans, in fleets operating at least 10 vehicles in an ozone non-attainment area, as defined by the Clean Air Act. This exemption does not permit unrestricted access to High Occupancy Vehicle lanes, except for covered fleet vehicles that have been certified by the Environmental Protection Agency as Inherently Low Emission Vehicles (ILEV) and continue to be in compliance with applicable ILEV emission standards. For this exemption, a clean fuel vehicle is a motor vehicle that has been certified to meet a set of emission standards that classifies it as a clean fuel vehicle. (Reference **Error! Hyperlink reference not valid.** 50-702 and 50-714)

## Section 10-Taxability & Tax Rates for Biodiesel and Ethanol

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$.235/gallon	B100 is taxable	None	\$.235/gallon	Ethanol is taxable	None

## Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$.235/gallon.	Ethanol is treated like gasoline. The rate is \$.235/gallon. Sales to licensed importers are not tax free..

## Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>		

<b>E85</b>		<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>		
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>		
<b>LPG (Liquefied Petroleum Gas)</b>		
<b>Methanol or "M85"</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

**Section 14-How does your state handle contaminated fuel?**

Not Applicable

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

**Section 18-When filing a return electronically, what time is considered timely?  
(Example: 11.59 pm on due date)**

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

**Section 22-Does your state require transporter returns and if so, who is required to report?**

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

# STATE OF FLORIDA

## Section 1-Contact Information

**Agency:** Florida Department of Revenue

**Name:** Lee Gonzalez

**Street Address:** 2450 Shumard Oak Blvd

**City, State Zip Code:** Tallahassee, FL, 32399

**Phone Number:** 850-717-6764

**Fax Number:** 850-922-8426

**E-mail Address:** edward.lee.gonzalez@floridarevenue.com

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Chapter 206, Florida Statutes

Chapter 336, Florida Statutes

12B-5, Florida Administrative Code

## Section 3-State Point of Taxation

**Gasoline:** Position holder or exchange receiver at the rack.

**Diesel:** Position holder or exchange receiver at the rack.

**Aviation Fuel:** Position holder or exchange receiver at the rack.

**Jet Fuel:** Position holder or exchange receiver at the rack.

**Natural Gas Fuels (CNG/LNG):** Retail - Exempt until 01/01/2019.

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-: A licensed Florida terminal supplier who has an agreement with another licensed Florida terminal supplier to receive fuel at the loading rack where the delivering party holds an inventory position.

Point of Taxation: There are multiple points of taxation in Florida. See below for a list of these points.

1. Every position holder shall pay taxes on the removal of motor fuel from a terminal as described by s. 206.41. In an exchange agreement between two licensed terminal suppliers, the receiving party shall be liable as the position holder if the receiving party is identified to the terminal operator by the delivering party.
2. Every terminal supplier shall pay taxes on the removal of motor fuel from a refinery as specified by s. 206.41.
3. Every importer shall pay taxes on the entry into this state as specified by s. 206.41.
4. Any person that produces blended motor fuel outside the bulk transfer or terminal system shall pay taxes as provided for by s. 206.41.
5. Any person using motor fuel upon which the tax required by s. 206.41 has not been paid and which is not exempted by this part is liable for the backup tax imposed by s. 206.873.
6. The seller of motor fuel is jointly and severally liable for the backup tax imposed by s. 206.87 if the seller knows or has reason to know that the motor fuel will be used in any nonexempt use.
7. The terminal operator is jointly and severally liable for the taxes imposed by s. 206.41 if:
  - The position holder with respect to the motor fuel is a person other than the terminal operator and is not a terminal supplier; or
  - The terminal operator has not met the conditions specified under paragraph (h).
8. A terminal operator is not liable for taxes imposed by s. 206.41 if at the time of the removal all the following apply:
  - The terminal operator is a terminal supplier.
  - The terminal operator has an unexpired notification certificate from the position holder as required by the Internal Revenue Service.
  - The terminal operator has no reason to believe that any information in the certificate is false.
9. A licensed terminal supplier who is a position holder in a terminal located outside of this state or a seller transferring ownership of motor fuel outside of this state destined for this state agrees to be subject to the laws of this state and comply with the provisions of this chapter in the same manner as if the motor fuel were withdrawn from a terminal in this state or the transfer of ownership occurred in this state.
10. Motor Fuel Only (Gasoline Equivalent) - The taxes imposed by s. 206.41(1)(d), (e), and (f) above the annual minimum shall be collected and remitted by licensed wholesalers and terminal suppliers upon each sale, delivery, or consignment to retail dealers, resellers, and end users.
11. Bio-diesel producer in the state of Florida.

### **Section 5-State Tax Rates**

**Gasoline:** Section 206.41, Florida Statutes

**Diesel:** Section 206.87, Florida Statutes

**Aviation Fuel:** Section 206.9825, Florida Statutes

**Jet Fuel:** Section 206.9825, Florida Statutes

**Natural Gas Fuels:** Section 206.9955, Florida Statutes

### **Section 6-Rate Updates**

2017 Rate Update (includes state and local option taxes)

Fuel –

- Motor Fuel (gasoline, fuel grade ethanol, and gasohol): State = \$.174 per gallon, Inspection Fee = \$.00125 per gallon / Local Option = varies by county – see link below)

[http://floridarevenue.com/taxes/Documents/16b05-02\\_chart.pdf](http://floridarevenue.com/taxes/Documents/16b05-02_chart.pdf)

- Diesel: State = \$.174 per gallon / Local Option = \$.144 per gallon)
- Aviation Fuel (includes jet fuel, kerosene, and aviation gasoline): \$.069 per gallon
- ❖ All three products, except E00 and B00 are liable for pollutants tax of \$.02071 per gallon (includes inland protection, water quality, and coastal protection).

### **Section 7-State Collection Allowance**

The terminal supplier or importer shall deduct from the amount of tax shown by the report to be payable an amount equivalent to .2 percent of the tax on motor fuels imposed by s. 206.41(1)(a), (b), (c), and (g), which deduction is hereby allowed to the terminal supplier or importer on account of services and expenses in complying with the provisions of the law.

In addition to the allowance authorized by paragraph (a), every terminal supplier and wholesaler shall be entitled to a deduction of 1.1 percent of the tax imposed under s. 206.41(1)(d) and the first 6 cents of tax imposed under s. 206.41(1)(e), which deduction is hereby allowed on account of services and expenses in complying with the provisions of this part. This allowance shall not be deductible unless payment of the tax is made on or before the 20th day of the month as herein required.

### **Section 8-State Diversion Requirements**

**Diversion Required:** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

206.416 Change in state destination.

(1)(a) A terminal supplier or position holder may sell motor or diesel fuel, other than by bulk transfer, a portion of which fuel is destined for sale or use in this state and a portion of which fuel is destined for sale or use in another state or states. However, such sale shall be documented

by the terminal supplier or position holder by issuing shipping papers designating the state of destination for each portion of the fuel.

(b) A licensed terminal supplier, wholesaler, importer, or exporter who intends to sell or use motor fuel in this state which was purchased pursuant to shipping papers bearing an out-of-state destination shall obtain a diversion number issued by the department which shall be manually recorded by the terminal supplier, wholesaler, importer, or exporter on the shipping paper prior to importing the fuel into this state. The terminal supplier, wholesaler, importer, or exporter is liable for reporting and remitting all applicable taxes on fuel with the return required pursuant to s. 206.43.

(c) If a wholesaler or exporter diverts to this state, within 3 consecutive months, more than six loads of fuel which were originally destined for allocation outside the state, the wholesaler or exporter must register as an importer within 30 days after such diversion. A wholesaler or exporter who violates this paragraph is subject to the penalties prescribed under ss. 206.413 and 206.872.

(2)(a) Any person who owns or possesses motor fuel in this state bearing an out-of-state destination on the shipping paper as to which a diversion number has not been issued by the department and manually recorded on the shipping paper, and who cannot prove that the tax imposed under the part has been paid, shall be subject to a specific penalty of \$1 per gallon based on the maximum capacity of the product storage tank of the vehicle, plus all applicable taxes, penalties, and interest otherwise imposed under this part on said fuel.

(b) In order to seek relief from any penalty assessed under this subsection, a person may, through the informal protest procedure established under s. 213.21 and the rules of the department, provide the department with evidence that the error was made despite a good faith effort to properly account for and report fuel shipments and taxes. Evidence may include proof of a written or standing order documenting the correct destination placed prior to the shipment, or evidence that demonstrates that the error is not a continuing event.

**What diversion registry program do you use?**

Fueltrac (Trac III Systems, LLC)

**What products are subject to the diversion requirement?**

All reportable products defined as motor, diesel, or aviation fuel.

**Diversion Requirements**

Before any fuel purchased by an exporter may be sold in Florida, exporter must call the Department of Revenue and obtain a diversion number. The number must be provided to the carrier and the shipping document changed manually. To divert fuel the exporter must be licensed as a wholesaler. If the person who diverts the fuel fails to notify the terminal supplier or position holder timely enough to obtain a corrected invoice, the person diverting the product shall be liable to report and remit all applicable taxes. Failure to obtain a diversion number shall be subject to a specific penalty of \$1.00 per gallon based on the maximum capacity of the

product storage tank of the vehicle plus all applicable taxes, penalties and interest otherwise imposed.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Company who exported the product.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

Distributor - Rebill

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load? NA**

**Any Additional Comments?**

The owner of the fuel must report and pay tax on diversions of fuel originally destined for a state other than Florida but delivered in Florida. Terminal suppliers will not rebill wholesalers for the Florida tax.

A licensed terminal supplier, wholesaler, importer, or exporter who intends to sell or use motor fuel in this state which was purchased pursuant to shipping papers bearing an out-of-state destination shall obtain a diversion number issued by the department which shall be manually recorded by the terminal supplier, wholesaler, importer or exporter on the shipping paper prior to importing the fuel into this state. The terminal supplier, wholesaler, importer or exporter is liable for reporting and remitting all applicable taxes on fuel with the return required pursuant to S.206.43.

A licensed exporter shall not divert for sale or use in this state any fuel designated to a destination outside this state without first obtaining a diversion number from the department as specified in S. 206.416(1)(b) and manually recording that number on the shipping paper prior to diversion of fuel for sale or use in this state.

**Section 9-Alternative Fuels Incentives and Laws**

**State Incentives**

- 1. Compressed natural gas (CNG), liquefied natural gas (LNG), or a combination of the two for use in a motor vehicle** - Chapter 206, Part V, Florida Statutes exempts CNG, LNG, or a combination of the two from fuel or sales tax until January 1, 2019 if the fuel is placed into the supply system of an internal combustion engine.
- 2. Biodiesel fuel manufactured by a public or private secondary school** is exempt from the diesel fuel excise tax and the associated registration requirements. To qualify for the exemption, total annual production of biodiesel must be less than 1,000 gallons and may only be used by the school, its employees, or its students. (Reference Florida Statutes 206.874)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol (Fuel Grade)</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.318 per gallon	B100 is taxable	NA	State - \$.174 per gallon plus local option tax	Fuel grade ethanol is taxable	Subject to Pollutants (\$.02071 per gallon) Tax and Inspection Fee (\$.00125 per gallon)

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 has the same registration, reporting, and taxing requirements as diesel fuel. Tax is due upon removal from the loading rack or upon importation if by means other than the bulk transfer system. The current tax rate is \$0.318 per gallon.	Fuel grade ethanol (denaturant = 1.97% or greater) has the same registration, reporting, and tax requirements as motor fuel. Tax is due upon removal from the loading rack or upon importation if by means other than the bulk transfer system. Current tax rate is \$0.174 per gallon plus local option tax (varies by county) plus the inspection fee (\$.00125 per gallon) plus pollutants tax (\$.02071 per gallon).

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Effective 01/01/2014 – Not taxable until 2019.	<b>1 MFEG = 5.66 pounds or 126.67 cubic feet</b>
<b>E85</b>	Current tax rate is \$0.174 per gallon plus local option tax (varies by county) plus the inspection fee (\$.00125	<b>Not Applicable</b>

	per gallon) plus pollutants (\$.02071 per gallon).	
<b>Electric Vehicles/Electricity</b>		<b>Not Applicable</b>
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Effective 01/01/2014 – Not taxable until 2019.	<b>1 MFEG = 6.06 pounds</b>
<b>LPG (Liquefied Petroleum Gas)</b>	Effective 01/01/2014 – Not taxable until 2019.	<b>1 MFEG = 1.35 gallons</b>
<b>Methanol or “M85”</b>	If it meets the definition of motor fuel, current tax rate is \$0.174 per gallon plus local option tax (varies by county) plus the inspection fee (\$.00125 per gallon) plus pollutants tax (\$.02071 per gallon).	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
Gasoline products or <u>any product blended with gasoline or any fuel placed in the storage supply tank of a gasoline-powered motor vehicle.</u>	\$0.174 per gallon plus local option tax (varies by county) plus the inspection fee (\$.00125 per gallon) plus pollutants tax (\$.02071 per gallon).	Yes, if it meets this definition.
Petroleum distillates commonly known as diesel #2, biodiesel, <u>or any other product blended with diesel or any product placed into the storage supply tank of a diesel powered motor vehicle.</u>	\$0.318/gallon.	Yes, if it meets this definition.
<u>Fuel for use in aircraft</u> , and includes aviation gasoline and aviation turbine fuels and kerosene, as determined by the American Society for Testing Materials specifications D-910 or D-1655 or current specifications.	\$0.069/gallon.	Yes, if it meets this definition.

**Section 14-How does your state handle contaminated fuel?**

1. **Transmix** – Taxable as diesel fuel upon removal from the terminal.

2. **Mixing of Undyed and Dyed Diesel** –

A licensed terminal supplier, importer, or wholesaler that holds title to taxable diesel fuel that has been mixed with dyed diesel fuel in storage may qualify for a refund of any state and local option tax paid on the taxable diesel fuel as follows:

1. The terminal supplier, importer, or wholesaler must contact the Department at (850) 717-6034 within “thirty 30 days” of the misfueling incident that caused the mixing of dyed diesel fuel with taxable diesel fuel to obtain a refund authorization number. The terminal supplier, importer, or wholesaler must report the following information:
  - a. The name of the licensee holding title,
  - b. The location of the storage,
  - c. The number of gallons of taxable diesel,
  - d. The number of gallons of dyed diesel,
  - e. The resulting total number of gallons of mixed diesel,
  - f. The date and time of the incidence of mixing,
  - g. The disposition of all mixed diesel fuel, and
  - h. The steps taken to bring the mixed fuel to proper dyed fuel specifications.
  
2. To obtain a refund of tax paid on diesel fuel, the terminal supplier, importer, or wholesaler holding a refund authorization number must file an Application for Refund (Form DR-26, incorporated by reference in Rule 12-26.008, F.A.C.) with the Department. Form DR-26 must be filed in accordance with the timing provisions of Section 215.26(2), F.S., and must meet the requirements of Section 213.255(2) and (3), F.S., and Rule 12-26.003, F.A.C. Form DR-26, Application for Refund, must be filed with the Department within 3 years after the date the tax was paid.

**Section 15-Does your state allow bad debt credits?**

Yes

**Section 16 -Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Terminal Supplier Fuel Tax Return	Your tax return is due to the Department on the 1st day of the month following the collection period. Returns filed electronically will be considered late if they are not	You must initiate your electronic payment no later than 5:00 p.m., ET, on the business day prior to the 20th.

	received by the Department or its agent on or before the 20th day of each month If the 20th day is a Saturday, Sunday, state or federal holiday, electronic and paper returns will be accepted as timely if filed on the next business day.	
Wholesaler/Importer Fuel Tax Return	“	“
Mass Transit System Provider Fuel Tax Return	“	“
Local Government User of Diesel Fuel Tax Return	“	“
Blender Fuel Tax Return	“	“
Pollutants Tax Return	“	“
Florida Air Carrier Fuel Tax Return	“	“
Terminal Operator Information Return	“	NA
Petroleum Carrier Information Return	“	NA
Exporter Fuel Tax Return	“	NA

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Receipt by the Department or it agent.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Payments - If you make your payments using Electronic Funds Transfer (EFT), it must be transmitted no later than 5:00 p.m., ET, on the last banking business day prior to the 20th. Download a payment due date calendar (Form DR-659) to help you pay on time.

Returns – Returns must be filed by 11:59 PM.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Return - Your tax return is due to the Department on the 1st day of the month following the collection period. Returns filed electronically will be considered late if they are not received by the Department or its agent on or before the 20th day of each month. If the 20th day is a Saturday, Sunday, state or federal holiday, electronic and paper returns will be accepted as timely if filed on the next business day.

Payment - If you pay your tax electronically, banking rules require that the payment must be transmitted no later than 5:00 p.m., ET, on the banking business day prior to the 20th.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Terminal Supplier Fuel Tax Return	If your payment or return is late, no collection allowance is authorized. In addition to all other penalties, a delinquency penalty of 10 percent of any tax due will be added for each month, or portion of a month, the return is late. The maximum penalty is 50 percent and the minimum is \$10, even if you file a tax return with no tax due.	If your payment or return is late, no collection allowance is authorized. In addition to all other penalties, a delinquency penalty of 10 percent of any tax due will be added for each month, or portion of a month, the return is late. The maximum penalty is 50 percent and the minimum is \$10, even if you file a tax return with no tax due.
Wholesaler/Importer Fuel Tax Return	“	“
Mass Transit System Provider Fuel Tax Return	“	“
Local Government User of Diesel Fuel Tax Return	“	“
Blender Fuel Tax Return	“	“
Pollutants Tax Return	“	“
Florida Air Carrier Fuel Tax Return	“	“

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is treated no differently than gasoline (point of taxation, tax rate, and registration requirements) in Florida. E85 is reported as product code 124.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Any person transporting fuel for sale or for others in vehicles capable of hauling quantities of 500 gallons or more in this State, must hold a valid license as a carrier of motor fuel or diesel fuel and file a return.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

Assuming title transfers twice outside of the bulk transfer system, the position holder removing the product from a terminal in Florida must charge the company taking flash title of the product Florida tax.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Sales and discretionary tax are charged on dyed diesel fuel used off road. Tax is calculated on the total price of the product. The tax rates may change on an annual basis.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

**Terminal Suppliers**

Prior to becoming licensed, each new terminal supplier applicant must submit, to the Department, a bond which equals 3 times the estimated average monthly fuel tax levied under Chapter 206, F.S., for each type of fuel that will be sold, but such bond will not exceed a maximum of \$100,000 for each product type (motor fuel, diesel, and aviation fuel).

A terminal supplier that has filed bonds of less than \$100,000 for each product type (motor fuel, diesel, and aviation fuel) will be notified by the Department when its liability increases to an amount that requires an increase in its bond.

## Wholesalers

1. Each wholesaler that is licensed pursuant to Section 206.02, F.S., will be required to furnish a bond to the Department in a sum of not more than \$100,000, for each product type (motor fuel, diesel fuel, and aviation fuel).
  2. The tax rate for calculating the wholesaler's bond on motor fuel will be the taxes imposed under Section 206.41, F.S. (fuel sales tax, Constitution Tax, County Tax, Municipal Tax, Ninth-cent County Fuel Tax, the maximum Local Option Fuel Tax rate, and the SCETS tax charged in this state.)
  3. The tax rate for calculating the wholesaler's bond on diesel fuel will be the taxes imposed under Section 206.87, F.S. (fuel sales tax, Excise Tax, Ninth-cent County Fuel Tax, the maximum Local Option Fuel Tax rate, and the SCETS tax charged in this state.)
  4. The tax rate for calculating the wholesaler's bond on aviation fuel will be the tax imposed under Section 206.9825, F.S. (Excise Tax)
  5. A wholesaler who has no import or export activity and is authorized to remit the taxes imposed by Chapter 206, F.S., to its supplier by electronic funds transfer (EFT) will file a bond with the Department for each product type (motor fuel, diesel fuel, and aviation fuel) based on the estimated average monthly gallons to be purchased, multiplied by the total of the taxes imposed under Section 206.41, F.S. (for motor fuel), Section 206.87, F.S. (for diesel fuel), and Section 206.9825, F.S. (for aviation fuel), and that sum multiplied by three.
  6. A wholesaler who has no import or export activity and is not authorized to remit the taxes imposed by Chapter 206, F.S., to its supplier by EFT will file a bond with the Department for motor fuel only based on the estimated average monthly gallons to be purchased, multiplied by the maximum Local Option Fuel Tax rate charged in this State, and that sum multiplied by three.
  7. A wholesaler who has no import or export activity, who sells only undyed diesel fuel, and who is not authorized by the Department to remit fuel tax to its supplier is not required to post a bond.
  8. A wholesaler who only imports fuel into this State is required to post a bond with the Department for each product type (motor fuel, diesel fuel, and aviation fuel) based on the estimated average monthly gallons imported multiplied by the total of the taxes imposed under Sections 206.41, F.S. (for motor fuel), 206.87, F.S. (for diesel fuel), and 206.9825, F.S. (for aviation fuel) and that sum, multiplied by two.
  9. The wholesaler will file an additional bond for motor fuel based on the estimated average monthly gallons imported multiplied by the maximum Local Option Fuel Tax rate charged in this State and that sum, multiplied by three.
- (c) A person who is licensed as a wholesaler and an importer will file bonds as follows:
1. The wholesaler bond will be the estimated average monthly gallons to be purchased, multiplied by the taxes imposed under Sections 206.41, F.S. (for motor fuel), 206.87, F.S. (for diesel fuel), and 206.9825, F.S. (for aviation fuel) and that sum multiplied by three.
  2. The importer bond shall be maintained in a sufficient amount to secure payment of tax on motor fuel, diesel fuel, and aviation fuel for 60 days of imports.
  3. If an importer does not maintain sufficient bond prior to importation of motor fuel, diesel fuel, and aviation fuel, an import authorization number will be denied and such person will be prohibited from importing untaxed fuel into this state.
  4. If the wholesaler bond is less than \$100,000, an additional bond for motor fuel will be calculated and added to the wholesale bond based on the estimated average monthly gallons to

be imported, multiplied by the maximum Local Option Fuel Tax rate, charged in this State, multiplied by three.

### **Exporter**

1. An exporter's bond will be equal to three times the total state and local option taxes that would be due if the fuel was sold for highway use in Florida.
2. An exporter, who is also bonded as a wholesaler, will obtain a bond which will be the difference between the wholesaler bond and the \$100,000 maximum bond for motor fuel, diesel fuel, and aviation fuel.

### **Pollutants**

Each terminal supplier, importer, or wholesaler, of pollutants that holds a fuel license must add to its fuel bond an amount to be three times the average monthly pollutants tax paid or due during the preceding twelve calendar months. However, the total amount of the bond must not exceed \$100,000.

(d) Each producer or importer of pollutants who does not hold a valid fuel license must file with the Department, a bond in an amount to be three times the average monthly pollutants tax paid or due during the preceding twelve calendar months. The bond shall not exceed \$100,000.

(e) No bond is required to obtain a pollutant tax license for the sole purpose of applying for refunds of tax paid on pollutants, as provided in Section 206.9942, F.S.

### **Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Terminal Supplier - Terminal suppliers typically import gasoline, gasohol, diesel, or aviation fuel into Florida by vessel or pipeline; place fuel products into storage at a terminal registered under Section 4101 of the Internal Revenue Code; and sell fuel through the loading rack at the terminal to their customers. Terminal suppliers remit most of the fuel taxes in Florida.

Wholesalers – Wholesalers typically purchase fully or partially taxed gasoline, gasohol, diesel, or aviation fuel (undyed kerosene, aviation gasoline, or jet fuel) from terminal suppliers or other wholesalers; place fuel into storage; or sell fuel to terminal suppliers, other wholesalers, retail dealers, or end users. Wholesalers must collect and remit a portion of the local option tax on any product defined as gasoline and sold to someone not licensed as a terminal supplier or wholesaler.

Importer – Importers typically import tax unpaid product into Florida outside of the bulk transfer system. Fuel taxes are due upon importation. Importers must be licensed as a wholesaler.

Bio-diesel Producers – Bio-diesel producers must be licensed as a wholesaler and pay fuel tax on bio-diesel produced in Florida.

Blenders - Blenders are persons who are not otherwise licensed under Chapter 206, Florida Statutes, and who blend gasoline, gasohol, diesel, or aviation fuel with tax-free or partially untaxed products for personal use in a vehicle, machine, vessel, or aircraft.

Retail Dealer - A retail dealer is any person who is engaged in the business of selling tax-paid motor, diesel, or aviation fuel at posted retail prices. Retail dealers of fuel are not required to obtain a motor fuel license under Chapter 206, Florida Statutes (F.S.); however, the retail dealer must register with the Florida Department of Revenue in order to receive a Certificate of Registration under Chapter 212, F.S.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Florida requires a supplemental return. A supplemental return is defined as the difference between what was originally filed and what should have been filed.

**Section 28-Does your state allow credit and rebills on the current month report?**

There are no statutory provisions that inhibit credits or rebills in Florida on a current month report.

**Section 29-How many days are allowed to report late loads?**

There are no statutory provisions that allow for late loads in Florida.

**STATE OF GEORGIA** *(Last updated 2012)*

**Section 1-Contact Information**

**Agency:** Georgia Department of Revenue  
**Name:** Summer Clifton  
**Street Address:** 1800 Century Boulevard  
**City, State Zip Code:** Atlanta, Georgia 30345  
**Phone Number:** (404) 417-6712  
**Fax Number:** (404) 417-4303  
**E-mail Address:** summer.clifton@dor.ga.gov

**Section 2-Statutes and Rules**

**Please give reference to your Statutes and Rules:**

O.C.G.A. § 48-9-3 sets the Excise Tax rate.  
O.C.G.A. § 48-9-14 sets the Prepaid State and Prepaid Local sales tax rates/sales prices.  
Georgia Regulation's for motor fuel taxes may be found in Chapters 560-9-1 through 560-9-3.

**Section 3-State Point of Taxation**

**Gasoline:** Distributor  
**Diesel:** Distributor  
**Aviation Fuel:** Distributor  
**Jet Fuel:** Distributor

**Section 4-Please define "First Receiver" and "Point of Taxation" and site your statutory reference regarding point of taxation.**

First Receiver-:

Point of Taxation:

## **Section 5-State Tax Rates\***

**Gasoline:** 7-1/2 cents per gallon – 4% Prepaid State Tax (3% motor fuel – 1% state sales & use) – 2%-4% Prepaid Local Sales & Use Tax

**Diesel:** 7-1/2 cents per gallon – 4% Prepaid State Tax (3% motor fuel – 1% state sales & use) – 2%-4% Prepaid Local Sales & Use Tax

**Aviation Fuel:** 7-1/2 cents per gallon – 4% Prepaid State Tax (3% motor fuel – 1% state sales & use) – 2%-4% Prepaid Local Sales & Use Tax

**Jet Fuel:** Generally sales and use tax (state and local); in limited instances, may be subject to 7-1/2 cents per gallon – 4% State Sales & Use Tax – 2%-4% Prepaid Local Sales & Use Tax

## **Section 6-Rate Updates**

**Please list any rate updates for your state:**

Bulletins are published at least semi-annually (January 1 and July 1) that provide Prepaid State and Local tax rates and sales prices; more often if revisions are necessary.

## **Section 7-State Collection Allowance**

1% of Excise Tax; 0.5% (.005) of Prepaid State Tax; 3% of Prepaid Local Taxes

## **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

**What products are subject to the diversion requirement?**

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Must be licensed to Import or Export. No Refund would be needed.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

### **Any Additional Comments?**

Question: I received a diversion number but my driver used the incorrect card and we were charged Georgia taxes, but the fuel went to South Carolina. My supplier will not give us our money back. How can I get a refund for the Georgia taxes paid?

If the destination state (Georgia) tax was collected from a tax at the rack state and then diverted to South Carolina then the purchaser/distributor must contact the new diversion state and receive a letter from that state indicating that all taxes have been paid on the imported product. Supporting documentation such as the diversion notice, bill of lading and any other documentation to support the transaction must be received prior to processing the refund. A credit memo or cash refund must be applied for on the MFD-33 Refund Claim Form.

## **Section 9-Alternative Fuels Incentives and Laws**

Georgia is the proud home of the Atlanta ([www.cte.tv/cca/cleancitiesatl.html](http://www.cte.tv/cca/cleancitiesatl.html)) and Middle Georgia ([www.mga-cleancities.com](http://www.mga-cleancities.com)) Clean Cities Coalitions. Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

#### **Zero Emission Vehicle (ZEV) Tax Credit**

Georgia offers an income tax credit of up to 20% of the cost to purchase or lease a ZEV, or \$5,000, whichever is less. ZEVs include, but are not limited to, battery-only electric vehicles and hydrogen fuel cell vehicles. Low speed vehicles do not qualify for this credit. (Reference Georgia Code 48-7-40.16)

#### **Alternative Fuel Vehicle (AFV) Tax Credit**

Georgia offers a tax credit towards the purchase, lease, or conversion of a vehicle that operates solely on an alternative fuel and has, at a minimum, a U.S. Environmental Protection Agency (EPA) certification as a Low Emission Vehicle (LEV). Vehicles converted to operate on an alternative fuel defined by the Energy Policy Act of 1992 and meets the EPA certification of LEV or better may also be eligible for the credit. The credit is worth up to 10% of the cost of a new AFV or up to 10% of the cost of converting the vehicle to operation on an alternative fuel, or \$2,500, whichever is less. The credit cannot exceed the taxpayer's income tax liability, but any portion of the credit not used in the year the AFV is purchased or converted can be carried over for up to five additional years. This incentive does not apply to hybrid electric vehicles. (Reference Georgia Code 48-7-40.16)

#### **Electric Vehicle (EV) Charger Tax Credit**

There is a tax credit to any business enterprise for the purchase or lease of each EV charger that is located in Georgia. The amount of the credit is 10% of the cost of the charger or \$2,500, whichever is less. (Reference Georgia Code 48-7-40.16)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
Same as diesel	B100 is taxable	Subject to Prepaid State and local Taxes	Same as gasoline when blended	Taxable when blended	Subject to Prepaid State and local Taxes when blended

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
Biodiesel is treated like diesel. The rate is \$0.075/gallon plus Prepaid State and Local taxes. Can be sold tax free to other distributors possessing proper license	Ethanol is treated like gasoline. The rate is \$0.075/gallon plus Prepaid State and Local taxes. Can be sold tax free to other distributors possessing proper license.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>		
<b>E85</b>		<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>		
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>		
<b>LPG (Liquefied Petroleum Gas)</b>		
<b>Methanol or “M85”</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

**Section 14-How does your state handle contaminated fuel?**

**Section 15-Does your state allow bad debt credits?**

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

**Section 22-Does your state require transporter returns and if so, who is required to report?**

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

# STATE OF HAWAII

## Section 1-Contact Information

**Agency:** Highways Division, Hawaii Department of Transportation  
**Name:** Yibo Hsu  
**Street Address:** 869 Punchbowl Street, Room 301  
**City, State Zip Code:** Honolulu, Hawaii 96813  
**Phone Number:** (808) 587-1844  
**Fax Number:** (808) 587-1787  
**E-mail Address:** yibo.hsu@hawaii.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Hawaii Revised Statutes §235-110.3, §243-1, §243-3.5, §243-4.

## Section 3-State Point of Taxation

Fuel taxes are collected at the distributors' level.

**Gasoline:**

**Diesel:**

**Aviation Fuel:**

**Jet Fuel:** Jet fuel falls under the definition of "aviation fuel" which is all liquid substances of whatever chemical composition usable for the propulsion of airplanes. (Reference: Hawaii Revised Statutes §243-1)

## Section 4-Please define "First Receiver" and "Point of Taxation" and site your statutory reference regarding point of taxation.

First Receiver: Hawaii does not provide a definition for "First Receiver."

Point of Taxation: Hawaii does not provide a definition for "Point of Taxation."  
Fuel taxes are collected at the distributors' level. (Reference: Hawaii Revised Statutes §243-4)

### **Section 5-State Tax Rates (in cents per gallon)**

<b>Gasoline:</b>	16.0*
<b>Diesel:</b>	16.0*
<b>Aviation Fuel:</b>	1.0*

**Jet Fuel:** Jet fuel falls under the definition of “aviation fuel” which is all liquid substances of whatever chemical composition usable for the propulsion of airplanes. (Reference: Hawaii Revised Statutes §243-1)

\*Effective January 1, 2016

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

See Department of Taxation Announcement No. 2016-05 at: <http://files.hawaii.gov/tax/news/announce/ann16-05.pdf> for our current fuel tax rates. (Please note that counties may still change their fuel tax rates in 2017, although none have yet done so.)

### **Section 7-State Collection Allowance**

Distributors may take the evaporation allowance deduction of one gallon for every 99 gallons sold by their stations.

### **Section 8-State Diversion Requirements**

**Diversion Required:** No surround states.

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

**What products are subject to the diversion requirement?**

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

**Do you require the Supplier/Distributor to re-bill or give a credit for the diverted load?**

**If not required, do you allow the Supplier/Distributor to re-bill or give a credit for the diverted load?**

**Any Additional Comments?**

**Section 9-Alternative Fuels Incentives and Laws**

**State Incentives**

**Renewable fuels production tax credit**

An income tax credit equal to 20 cents per seventy-six thousand British thermal units of renewable fuels is available for taxable years beginning after December 31, 2016 provide that the taxpayer's production of the renewable fuels is not less than fifteen billion BTU's per year. "Renewable fuels" means fuels produced from renewable feedstocks. The credit is limited to aggregate claims of \$3 million per year. (Reference: Hawaii Revised Statutes §235-110.31)

**Alternative Fuel Tax Rate**

A distributor of any alternative fuel for operation in an internal combustion engine is required to pay a license tax of \$0.0025 for each gallon of alternative fuel sold or used by the distributor. In addition, a distributor is required to pay a license tax for each gallon of fuel sold or used by the distributor for operating a motor vehicle(s) on state public highways according to the following rates:

<b>Fuel Type</b>	<b>Tax</b>
Ethanol	0.145 times the rate for diesel
Methanol	0.11 times the rate for diesel
Biodiesel	0.25 times the rate for diesel
Liquefied Petroleum Gas (propane)	0.33 times the rate for diesel

For other alternative fuels, the rate is based on the energy content of the fuels as compared to diesel fuel, using a lower heating value of 130,000 British thermal units per gallon as a standard for diesel, so that the tax rate, on an energy content basis, is equal to one-quarter the rate for diesel fuel. (Reference: Hawaii Revised Statutes §243-4)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
Tax rates vary by County	B100 is taxable	Subject to the Environmental Fee	Tax rates vary by County	Ethanol is taxable	Subject to the Environmental Fee

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
Same as stated in Section 10.	Same as stated in Section 10.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	CNG is taxable.	The rate is based on the energy content of the fuels as compared to diesel fuel, using a lower heating value of 130,000 British thermal units per gallon as a standard for diesel, so that the tax rate, on an energy content basis, is equal to one-quarter the rate for diesel fuel.
<b>E85</b>	E85 is taxable.	0.145 times the rate for diesel.
<b>Electric Vehicles/Electricity</b>	Not subject to the fuel tax.	N/A
<b>Gasoline Hybrid Vehicles</b>	Gasoline is taxable.	\$0.16 / gallon.
<b>Hydrogen</b>	Hydrogen is taxable.	The rate is based on the energy content of the fuels as compared to diesel fuel, using a lower heating value of 130,000 British thermal units per gallon as a standard for diesel, so that the tax rate, on an energy content basis, is equal to one-quarter the rate for diesel fuel.
<b>LNG (Liquefied Natural Gas)</b>	LNG is taxable.	The rate is based on the energy content of the fuels as compared to diesel fuel, using a lower heating value of 130,000 British thermal units per gallon as a standard for diesel, so that the tax rate, on an energy content basis, is equal to one-quarter the rate for diesel fuel.
<b>LPG (Liquefied Petroleum Gas)</b>	LPG is taxable.	0.33 times the rate for diesel.
<b>Methanol or “M85”</b>	Methanol is taxable.	0.11 times the rate of diesel.
<b>Other</b>		

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable
Not applicable		

**Section 14-How does your state handle contaminated fuel?**

The handling of contaminated fuel is not addressed by Hawaii tax law.

**Section 15-Does your state allow bad debt credits?**

Hawaii does not have bad debt credits.

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment
Form M-20A, Monthly Return of Liquid Fuel Tax (State and County) and Environmental Response, Energy, and Good Security Tax	Form M-20A must be filed on or before the 20th day of each month, showing the fuel sold or used during the preceding calendar month.	Payment of the tax is due on or before the 20th day of each month on fuel sold or used during the preceding calendar month.

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

A tax return that is postmarked by the due date is considered to be timely filed.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

At the present time, fuel taxes may not be filed electronically.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The tax returns and payments are due the next regular workday.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties

The penalty for failure to file a return on time is assessed on the tax due at a rate of 5% per month, or part of a month, up to a maximum of 25%.

The penalty for failure to pay the tax after filing a timely return is 20% of the tax unpaid within 60 days of the prescribed due date.

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Mixtures containing 85% or more by volume of denatured ethanol with gasoline or other fuels are considered to be an alternative fuel.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Hawaii does not require transporter returns.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

Not applicable.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

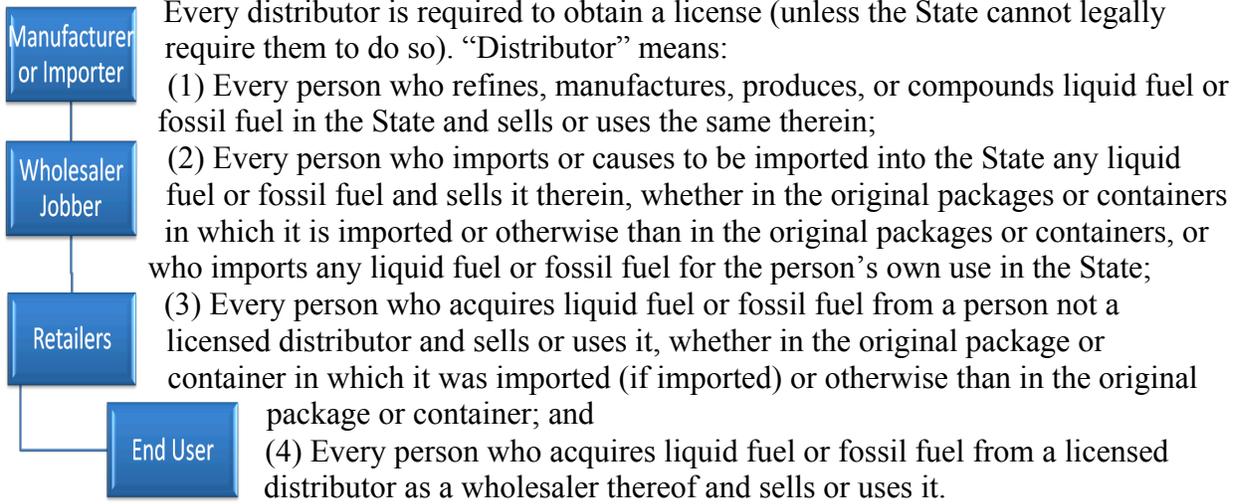
Hawaii imposes a general excise tax on the gross income received from the sale of gasoline, clear diesel, or dyed diesel at the rate of 4% (4.5% if attributable to Oahu) for retail sales and at the rate of 0.5% for wholesale sales.

Any rate changes would require approval by the Hawaii State Legislature.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Hawaii does not have bonding requirements for our motor fuel licenses.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**



In the hierarchy displayed above, all boxes except the End User is always a distributor and must be licensed. The initial distributor pays the tax. No tax is due from a subsequent distributor if the tax has already been paid by a prior distributor in the hierarchy. If the end user acquires liquid fuel, knowing that the distributor from whom it was originally purchased has not paid the tax, then the end user is also defined as a distributor and is required to pay the tax.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

All lines used in computation of the fuel tax must be completed on the amended return (lines 1 through 46 on Form M-20A).

**Section 28-Does your state allow credit and rebills on the current month report?**

N/A

**Section 29-How many days are allowed to report late loads?**

N/A

# STATE OF IDAHO

## Section 1-Contact Information

**Agency:** Idaho State Tax Commission  
**Street Address:** 800 Park Blvd. Plaza IV  
**City, State Zip Code:** Boise, ID 83712-7742

<b>Name:</b>	<b>Carla Pape</b> Tax Audit Manager Audit Division Sales and Fuels Tax Audit Section	<b>Don Williams</b> Tax Policy Specialist Tax Policy Taxpayer Resources Unit
<b>Phone Number:</b>	208 332-4081	208 334-7855
<b>Fax Number:</b>	208 332-6619	208 334-7846
<b>E-mail Address:</b>	<a href="mailto:carla.pape@tax.idaho.gov">carla.pape@tax.idaho.gov</a>	<a href="mailto:don.williams@tax.idaho.gov">don.williams@tax.idaho.gov</a>

## Section 2-Statutes and Rules

### **Please give reference to your Statutes and Rules:**

Idaho Motor Fuels Tax Statutes are in Idaho Code, Title 63, Chapter 24,  
<http://legislature.idaho.gov/idstat/Title63/T63CH24.htm>.

Idaho Motor Fuels Tax Administrative Rules are in IDAPA 35.01.05,  
<http://adminrules.idaho.gov/rules/current/35/0105.pdf>.

## Section 3-State Point of Taxation

**Gasoline:** 1st Receiver.

**Diesel:** 1st Receiver.

**Aviation Gasoline:** 1st Receiver.

**Jet Fuel:** 1st Receiver.

**Propane (LPG):** When placed into main supply tank of licensed or required to be licensed motor vehicle.

**Compressed Natural Gas (CNG):** See propane.

**Liquefied Natural Gas (LNG):** See propane.

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver:- In Idaho, the 1st receiver is required to be licensed and is the distributor who owns the fuel when it is loaded into transportation equipment at an IRS recognized terminal or as it enters the state. Ownership can't change at the border. For a complete explanation see Idaho Code §63-2403. <http://legislature.idaho.gov/idstat/Title63/T63CH24SECT63-2403.htm>.

Point of Taxation: For most motor fuels the tax is imposed on the distributor who first receives motor fuel in Idaho. See IC §63-2402.

<http://legislature.idaho.gov/idstat/Title63/T63CH24SECT63-2402.htm>.

### **Section 5-State Tax Rates**

The per gallon tax rate is:

**Gasoline:** \$0.32/gal (as of 7/1/2015)

**Diesel:** \$0.32/gal (as of 7/1/2015)

**Aviation Gasoline:** \$0.07/gal (as of 7/1/2008)

**Jet Fuel:** \$0.06/gal (as of 7/1/2008)

- Biodiesel (B00) - \$0.32 (as of 7/1/2015)
- Biodiesel Blends (B01 - B99) - \$0.32 (as of 7/1/2015)
- Ethanol Blends (E01 - E99) - \$0.32 (as of 7/1/2015)

Each of the fuels listed above are subject to Idaho Petroleum Clean Water Trust Fund Act. The Act imposes a \$0.01/gallon transfer fee and has been in effect since September 1, 2007.

The following are defined as gaseous special fuels and not subject to the transfer fee because they are not liquid at standard temperature and pressure. The tax rate is based on the energy equivalent of a gallon of gasoline.

- Propane - \$0.232 per liquid gallon (as of 7/1/2015)
- Compressed Natural Gas - \$0.32 per gasoline gallon equivalent (as of 7/1/2015)
- Liquefied Natural Gas - \$0.349 per diesel gallon equivalent (as of 7/1/2015)

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

see Section 5

### **Section 7-State Collection Allowance**

There is no collection allowance.

There is a credit allowed, less deductions, against tax due as reimbursement for loss from “evaporation, handling, spillage and shrinkage”, Subsection 63-2407(4) , Idaho Code.

<http://legislature.idaho.gov/idstat/Title63/T63CH24SECT63-2407.htm>.

**Section 8-State Diversion Requirements**

**Diversion Required:** No. If the fuel is delivered to a destination other than that listed on the original Bill of Lading (BOL), a corrected BOL must be issued with the actual destination listed.

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.** Idaho does not allow a diversion number.

**What diversion registry program do you use?** N/A

**What products are subject to the diversion requirement?** N/A

**Diversion Requirements:** N/A

**What party should apply for the refund if applicable (Supplier, customer, etc)**

Suppliers paying motor fuel tax erroneously may request a refund or credit. Only the final consumer may claim a refund of motor fuel tax for nontaxable use.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** N/A

**Any Additional Comments?**

Idaho is a first receiver state where the licensed distributor is the taxpayer. Idaho does not track by diversion numbers. If there is a change in destination, the taxpayer must file an amended return to correctly report the change in movement.

**Section 9-Alternative Fuels Incentives and Laws**

Idaho is the proud home of the Greater Yellowstone/Teton Clean Energy Coalition ([www.yellowstonetetoncleanenergy.org](http://www.yellowstonetetoncleanenergy.org)) and the Treasure Valley Clean Cities Coalition ([www.tvcleancities.org](http://www.tvcleancities.org)). Please view those web sites for Coordinator contact information.

**State Incentives:** None

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.32/gallon	B100 is taxable	Subject to the \$0.01 Transfer Fee	\$0.32/gallon	Ethanol is taxable	Subject to the \$0.01/gal Transfer Fee

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated as a motor fuel and taxed at the same rate as diesel, \$0.32/gallon. Idaho is a 1 <sup>st</sup> Receiver State for taxes due.	Ethanol is treated as a motor fuel and taxed at the same rate as gasoline, \$0.32/gallon. Idaho is a 1 <sup>st</sup> Receiver State for taxes due.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$0.32/GGE	<b>126.67 cu. ft. or 5.66 lbs = 1 GGE</b>
<b>E85</b>	\$0.32 per gallon fuels tax plus .01 per gallon transfer fee	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	No VMT. Increased registration fees for electric vehicles	<b>Not Applicable</b>
<b>Gasoline Hybrid Vehicles</b>	\$0.32/ gallon gasoline. No VMT. Increased registration fees for electric hybrids.	<b>Not Applicable</b>
<b>Hydrogen</b>	\$0.32/GGE	<b>1 GGE = 0.946 kg or 946 g</b>
<b>LNG (Liquefied Natural Gas)</b>	\$0.349/DGE	<b>6.06 lbs = 1 DGE</b>
<b>LPG (Liquefied Petroleum Gas)</b>	\$0.232 per gal	<b>4.25 lbs. = 1 Gal</b>
<b>Methanol or “M85”</b>	\$0.32 per gallon fuels tax plus .01 per gallon transfer fee.	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>All</b>	<b>\$0.32/gallon</b>	<b>All</b>

**Section 14-How does your state handle contaminated fuel?**

On a case by case basis.

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
1450 Distributor's Fuel Tax Report - Idaho	Last day of following month	Last day of following month
1452 Terminal Operator's Report - Idaho	Last day of following month	Last day of following month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Yes.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

11:59 pm on the due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
1450 Distributor's Fuel Tax Report-Idaho	5% penalty when filed late, minimum penalty is \$10, there is no penalty when there is no tax due	5% penalty in addition to reporting penalty when paid late, minimum penalty is \$10, there is no penalty when no tax is due.

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Ethanol (E00) and all ethanol blends (E00-99) are taxed as a motor fuel like gasoline. All ethanol and ethanol blends are reported using the amount of ethanol in the blend. The blend is not checked for content since the blend amount is immaterial with regards to Idaho tax.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

May be required.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

See Section 4.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

There is a sales tax exemption when motor fuel is subject to the motor fuel tax. Sales tax is due when the motor fuel is used in a nontaxable manner and a refund is claimed or the motor fuel is not subject to the motor fuel tax.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Motor fuel distributors are required to obtain bonds when first licensing and maintain them while the license is active. The bond amount is twice the estimated or actual tax due. The minimum bond is \$1,000 and the maximum is \$200,000. The distributor may request a waiver.

**Section 26-Define the hierarchy of licenses in your state and who is responsible for remitting taxes to the state.**

The first receiver reports and pays the motor fuel tax and transfer fee. See Section 4. All purchases subsequent to the tax and transfer fee payment by the first receiver include the motor fuel tax and transfer fee.

1. **Motor fuel distributor license.** The majority of licensee's will obtain this license. The motor fuel tax and transfer fee is paid by the distributor that first receives the motor fuel or other petroleum product. Petroleum and petroleum products subject to the transfer fee must be liquid at 60<sup>0</sup> and standard pressure.
2. **Licensed gaseous fuels distributor.** All motor fuels, petroleum and petroleum products are purchased with the motor fuel tax and transfer fee included, except gaseous special fuels.
3. **Limited distributor license.** All motor fuel subject to the motor fuel tax are purchased with the motor fuel tax and transfer fee included. The transfer fee is paid by the first receiver of petroleum and petroleum products not subject to the motor fuel tax.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

The amended return should only include supplemental data. The first and second pages should show the changes and the detail of the changes should be reported on attached schedules.

Idaho amending returns are paper only and distributor/period specific. The distributor should contact the Tax Commission for the form.

**Section 28-Does your state allow credit and rebills on the current month report?**

The distributor is required to amend a return for a given month if there are any changes in the loads reported for that month.

**Section 29-How many days are allowed to report late loads?**

All loads received in a given month are required to be reported and taxes paid by the end of the following month.

# STATE OF ILLINOIS

## Section 1-Contact Information

**Agency:** Illinois Department of Revenue

**Name:** Tina Whitehead

**Street Address:** 101 West Jefferson MC 2-265

**City, State Zip Code:** Springfield, IL 62702

**Phone Number:** 217-782-4187

**Fax Number:** no fax

**E-mail Address:** Christina.Whitehead@illinois.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

35 ILCS 505

Ill Admin Code Part 550

35 ILCS 120

415 ILCS 125

## Section 3-State Point of Taxation

**Gasoline:** Distributor

**Diesel:** Distributor /Supplier

**Aviation Fuel:** Receiver

**Jet Fuel:** Receiver

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-:

Point of Taxation:

## **Section 5-State Tax Rates**

**Gasoline:** \$0.19 Fuel Tax \$0.011 UST / EIF

**Diesel:** \$0.215 Fuel Tax \$0.011 UST / EIF

**Aviation Fuel:** \$0.011 UST / EIF

**Jet Fuel:** \$0.011 UST / EIF

- Illinois also imposes a Sales Tax on Motor Fuel. Pre-paid sales tax is adjusted every six (6) months.

## **Section 6-Rate Updates**

**Please list any rate updates for your state:** Effective July 1, 2017, the motor fuel tax rates for LNG and propane changed to twenty-one and a half cents per diesel gallon equivalent (DGE).

## **Section 7-State Collection Allowance**

1.75% is allowed on timely filed and timely paid amounts

## **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state the Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

**What products are subject to the diversion requirement?**

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

Illinois is the proud home of the Chicago Area Clean Cities Coalition ([www.chicagocleancities.org](http://www.chicagocleancities.org)). Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

#### **E85 Fueling Infrastructure Grants**

The Illinois Department of Commerce and Economic Opportunity's (Department) Renewable Fuels Development Program is partnered with the Illinois Corn Marketing Board to fund new E85 fueling infrastructure at retail gasoline stations. The American Lung Association of Illinois-Iowa administers grants of up to \$15,000 for a blender pump installation, \$10,000 for a new E85 dispenser installation, and \$7,500 to convert existing stations to dispense E85. The maximum grant amount is \$15,000 per facility or \$75,000 for four or more facilities. For more information, including program guidelines, see the [Illinois E85 Infrastructure Development Program](#) website.

#### **Alternative Fuel Vehicle (AFV) Fleet Incentives**

The Illinois Green Fleets Program recognizes and provides additional marketing opportunities for fleets in Illinois that have a significant number of AFVs and use clean, domestically produced fuels. For more information, see the [Illinois Green Fleets Program](#) website.

#### ***Point of Contact***

Darwin Burkhart  
Manager, Clean Air Programs  
Illinois Environmental Protection Agency  
Phone: (217) 524-5008  
Fax: (217) 557-2559  
[darwin.burkhart@illinois.gov](mailto:darwin.burkhart@illinois.gov)  
<http://www.illinoisgreenfleets.org>

#### **School Bus Retrofit Reimbursement**

The Illinois Department of Education will reimburse any qualifying school district for the cost of converting gasoline buses to more fuel-efficient engines or to engines using alternative fuels. Restrictions may apply. (Reference 105 [Illinois Compiled Statutes 5/29-5](#))

#### **Ethanol Tax Exemption**

Sales and use taxes apply to 80% of the proceeds from the sale of fuels containing 10% ethanol (E10) made between July 1, 2003, and December 31, 2018. If at any time these taxes are imposed at a rate of 1.25%, the tax on E10 will apply to 100% of the proceeds of sales. State sales and use taxes do not apply to fuels containing between 70% and 90% ethanol (E70-E90) sold between July 1, 2003, and December 31, 2018. Taxes will apply to 100% of the proceeds

from ethanol fuel blend sales made after December 31, 2018. (Reference 35 Illinois Compiled Statutes 120/2-10, 105/3-10, and 105/3-44)

**Biofuels Tax Exemption**

Sales and use taxes apply to 80% of the proceeds from the sale of fuel blends containing between 1% and 10% biodiesel and the sale of fuels containing 10% ethanol (E10) made between July 1, 2003, and December 31, 2018. If at any time these taxes are imposed at a rate of 1.25%, the tax on biodiesel blends and E10 will then apply to 100% of the proceeds of sales. These taxes do not apply to the proceeds from the sale of biodiesel blends containing more than 10% biodiesel or fuels containing between 70% and 90% ethanol (E70-E90). Taxes will apply to 100% of the proceeds from biodiesel sales made after December 31, 2018. (Reference 35 Illinois Compiled Statutes 120/2-10, 105/3-10, and 105/3-44)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
Same as diesel	Same as diesel	Same as diesel	Same as gasoline	Same as gasoline	Same as gasoline

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
100% biodiesel is not considered a motor fuel unless sold or used for highway purposes. Biodiesel must be reported when blended to produce a motor fuel.	100% denatured Ethanol is not considered a motor fuel unless sold or used for highway purposes. Ethanol must be reported when blended to produce a motor fuel.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	.19	For purposes of calculating tax under the Motor Fuel Tax Law, a gallon of compressed natural gas means a quantity of compressed natural gas equal to 126.67 cubic feet of natural gas at 60 degrees Fahrenheit and one atmosphere of pressure. In the alternative, it

		means a quantity of compressed natural gas that weighs 5.66 pounds. (Gasoline Gallon Equivalent)
<b>E85</b>	.19	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	N/A	<b>Not Applicable</b>
<b>Gasoline Hybrid Vehicles</b>	.19	<b>Not Applicable</b>
<b>Hydrogen</b>	N/A	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	.215	Liquefied Natural Gas is taxed at the equivalent energy content of a gallon of diesel fuel, and shall be defined as 6.06 pounds of liquefied natural gas. (Diesel Gallon Equivalent)
<b>LPG (Liquefied Petroleum Gas)</b>	.215	Liquid Petroleum Gas is taxed at the equivalent energy content of a gallon of diesel fuel and shall be defined as 6.41 pounds of propane. (Diesel Gallon Equivalent)
<b>Methanol or "M85"</b>	.19	<b>Not Applicable</b>
<b>Other</b>	N/A	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

**Section 14-How does your state handle contaminated fuel?**

There are various ways that they department may handle this issue. It will depend on the circumstance involving the contamination, product(s) and what was done with fuel.

**Section 15-Does your state allow bad debt credits?**

No. The State of Illinois does not allow for bad debt credits.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
RMFT-5: Motor Fuel Distributor/Supplier Tax Return	20 <sup>th</sup> of each calendar month for fuel purchased, acquired or received and sold, distributed or used during the preceding calendar month. It is mandatory for the return to be filed electronically.	20 <sup>th</sup> of the month following the month for which the return is made. It is mandatory for the payment to be made electronically.
RMFT-5-US: Underground Storage Tank Tax and Environmental Impact Fee Receiver Return	20 <sup>th</sup> of each calendar month for fuel purchased, acquired or received and sold, distributed or used during the preceding calendar month. It is mandatory for the return to be filed electronically.	20 <sup>th</sup> of the month following the month for which the return is made. It is mandatory for the payment to be made electronically.
RMFT-144: Alternative Fuels Return	Private biodiesel producer that blends less 5,000 gallons per year: return and payment of tax for a given year are due by January 20 of the following year. Private biodiesel producer that blends 5,000 or more gallons per year: returns and payments of tax are due between the 1 <sup>st</sup> and 20 <sup>th</sup> days of each calendar month for the preceding calendar month.	Private biodiesel producer that blends less 5,000 gallons per year: return and payment of tax for a given year are due by January 20 of the following year. Private biodiesel producer that blends 5,000 or more gallons per year: returns and payments of tax are due between the 1 <sup>st</sup> and 20 <sup>th</sup> days of each calendar month for the preceding calendar month. For all other fuel types, the payment must be made by the 20 <sup>th</sup> of the month following the month for which the sales took place.

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Distributors, Suppliers and Receivers file the RMFT-5 and RMFT-5-US returns. Both of those returns are mandatorily required to be filed electronically. However, the RMFT-144 Alternative Fuel return can be filed electronically or by submitting a paper return. For the RMFT-144, we go by the postmarked date or submit date for timeliness.

**Section 18-When filing a return electronically, what time is considered timely?  
(Example: 11.59 pm on due date)**

The receipt date of the electronic transmission will constitute the receipt date of the electronic return or other document if the transmission is acknowledged as accepted, or accepted with error, with a detailed acknowledgment from the Department as provided in Section 760.310. Any return or other document, including debit authorization, acknowledged as rejected with a functional or detailed acknowledgment will be considered not filed. The receipt date of the electronic transmission will be when the telephone transmission ends for participants transmitting directly to the Department.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

If the due date for any return, report, payment, statement or other document required or authorized to be filed with the Department falls on Saturday, Sunday or a holiday as defined or fixed in any statute now or hereafter in force in this State, such due date shall be considered to be the next business day either for the purpose of submitting such return or other report or payment by U.S. Mail or for the purpose of submitting such return or other report by any means other than the U.S. Mail .

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
RMFT-5: Motor Fuel Distributor/Supplier Tax Return	<p><b>Tier 1</b> — the lesser of \$250 or 2% of the tax required to be shown due on the return and reduced by timely payments or credits. If the return is timely filed but cannot be processed, you will have 30 days to correct the return before penalty is due.</p> <p><b>Tier 2</b> — If you do not file a return within 30 days after receiving a notice of nonfiling, an additional penalty will be imposed equal to the greater of \$250 or 2% of the tax shown due on the return without regard to timely payments. The additional penalty may not exceed \$5,000. The penalty will be assessed even if there is no tax due.</p>	<p>Penalty is based on the number of days the tax required to be shown due on the return is late.</p> <p>1 - 30 days: 2% 31 + days: 10%</p> <p>However, the penalty is 15% of any amount that is not paid until after the initiation of an audit or investigation of your liability and 20% of any amount that is not paid within 30 days after the issuance of an audit-prepared amended return or Form IL-870, Waiver of Restrictions, at the conclusion of the audit or investigation. The 20% penalty rate also applies to</p>

		any amount paid within the 30-day period if you fail to sign and return the amended return within that period or if you pay the liability under protest or subsequently file a claim or refund of the payment.
RMFT-5-US: Underground Storage Tank Tax and Environmental Impact Fee Receiver Return	<p><b>Tier 1</b> — the lesser of \$250 or 2% of the tax required to be shown due on the return and reduced by timely payments or credits. If the return is timely filed but cannot be processed, you will have 30 days to correct the return before penalty is due.</p> <p><b>Tier 2</b> — If you do not file a return within 30 days after receiving a notice of nonfiling, an additional penalty will be imposed equal to the greater of \$250 or 2% of the tax shown due on the return without regard to timely payments. The additional penalty may not exceed \$5,000. The penalty will be assessed even if there is no tax due.</p>	<p>Penalty is based on the number of days the tax required to be shown due on the return is late.</p> <p>1 - 30 days: 2% 31 + days: 10%</p> <p>However, the penalty is 15% of any amount that is not paid until after the initiation of an audit or investigation of your liability and 20% of any amount that is not paid within 30 days after the issuance of an audit-prepared amended return or Form IL-870, Waiver of Restrictions, at the conclusion of the audit or investigation. The 20% penalty rate also applies to any amount paid within the 30-day period if you fail to sign and return the amended return within that period or if you pay the liability under protest or subsequently file a claim or refund of the payment.</p>
RMFT-144: Alternative Fuels Return	<p><b>Tier 1</b> — the lesser of \$250 or 2% of the tax required to be shown due on the return and reduced by timely payments or credits. If the return is timely filed but cannot be processed, you will have 30 days to correct the return before penalty is due.</p> <p><b>Tier 2</b> — If you do not file a</p>	<p>Penalty is based on the number of days the tax required to be shown due on the return is late.</p> <p>1 - 30 days: 2% 31 + days: 10%</p> <p>However, the penalty is 15% of any amount that is not paid until after the</p>

	<p>return within 30 days after receiving a notice of nonfiling, an additional penalty will be imposed equal to the greater of \$250 or 2% of the tax shown due on the return without regard to timely payments. The additional penalty may not exceed \$5,000. The penalty will be assessed even if there is no tax due.</p>	<p>initiation of an audit or investigation of your liability and 20% of any amount that is not paid within 30 days after the issuance of an audit-prepared amended return or Form IL-870, Waiver of Restrictions, at the conclusion of the audit or investigation. The 20% penalty rate also applies to any amount paid within the 30-day period if you fail to sign and return the amended return within that period or if you pay the liability under protest or subsequently file a claim or refund of the payment.</p>
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**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E-85 is treated the same as gasoline. The State of Illinois likes to see all blend amounts on the blending schedule.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Every railroad company, street, suburban or interurban railroad company, pipeline company, motor truck or motor tank car company and water transportation company transporting reportable motor fuel either in interstate or in intrastate commerce, to points within this State, and every person, transporting reportable motor fuel to a point in this State from a point without this State shall report all deliveries of reportable motor fuel made to points within Illinois to the Department of Revenue on forms prescribed by it.

Such reports shall cover monthly periods, shall be submitted within 30 days after the close of the month covered by the report, shall show the name and address of the person to whom the deliveries of reportable motor fuel have actually and in fact been made, the name and address of the originally named consignee, if reportable motor fuel has been delivered to any other than the originally named consignee, the point of origin, the point of delivery, the date of delivery, and the number and initials of each car, if shipped by rail, the quantity of each shipment and delivery in gallons, the date delivered, the name of the person to whom delivered the point of shipment, the point of delivery, the name of the boat or barge, if delivered by water, and if delivered by other means, the manner in which such delivery is made.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Yes, for gasoline and clear diesel and no, for dyed diesel. The State of Illinois imposes a 6.25% sales tax rate on the sales of gasoline and clear diesel. The rate changes every six months (January and July). The tax is imposed on the value and is collected when taxpayers submit either their PST-1 or ST-1 return.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

An applicant for a motor fuel license shall file with the Department a bond on a form to be approved by and with a surety or sureties satisfactory to the Department conditioned upon such applicant paying to the State of Illinois all monies becoming due by reason of the sale, export, or use of motor fuel by the applicant, together with all penalties and interest thereon. The Department shall fix the penalty of such bond in each case taking into consideration the amount of motor fuel expected to be sold, distributed, exported, and used by such applicant and the penalty fixed by the Department shall be such, as in its opinion, will protect the State of Illinois against failure to pay the amount hereinafter provided on motor fuel sold, distributed, exported, and used, but the amount of the penalty fixed by the Department shall not exceed twice the monthly amount that would be collectable as a tax in the event of a sale on all the motor fuel sold, distributed, exported, and used by the distributor inclusive of tax-free sales, exports, use, or distribution. Upon receipt of the application and bond in proper form, the Department shall issue to the applicant a license to act as a distributor. No person who is in default to the State for monies due under this Act for the sale, distribution, export, or use of motor fuel shall receive a license to act as a distributor.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Distributor license – may purchase any type of Motor Fuel tax-free, Distributor is responsible for remitting tax to the State when motor fuel sold by Distributor is for taxable use.

Supplier license – may only purchase special fuel and related products Motor Fuel tax-free, Supplier is responsible for remitting tax to the State when motor fuel sold by Supplier is for taxable use.

Blender's permit – must have a Distributor's or Supplier's license to blend, Distributor or Supplier is responsible for taxes.

Receiver license – may purchase gasoline products, special fuel products and other fuels UST/EIF tax/fee-free, Receiver is responsible for remitting fee/tax to the State when gasoline products, special fuel products and other fuels are sold by Receiver for taxable use.

Alternative Fuels license – a company that does not meet the definition of a Distributor or Supplier that sells Alternative Fuels (like CNG, LNG, LPG, etc.) specifically for on road use.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Effective January 1, 2016, Distributors, Suppliers and Receivers are mandated to file their original returns and amended returns electronically utilizing MyTax Illinois. Amend periods June 2015 and forward must be filed electronically. The MyTax system inserts original or previous amended figures onto the return. The taxpayer adjusts the return page as necessary. Return schedules that need amending can either be wholly imported or manually adjusted per line. Amended periods prior to June 2015, must be filed on a paper return with all appropriate lines completed. Amended schedules prior to June 2015 may show only the adjustments that are needed.

**Section 28-Does your state allow credit and rebills on the current month report?**

Typically, credits and rebills should be reported on the same liability period as the original invoice.

**Section 29-How many days are allowed to report late loads?**

The electronic filing of the schedules allows for any day of the previous

# STATE OF INDIANA

## Section 1-Contact Information

**Agency:** Department of Revenue [www.in.gov/dor](http://www.in.gov/dor)

**Name:** Sherry Queen, Fuel Tax Supervisor

**Street Address:** 7811 Milhouse Road, Suite P

**City, State Zip Code:** Indianapolis, IN 46241

**Phone Number:** 317-615-2534

**Fuel Tax Customer Service Phone Number:** 317-615-2630

**Fax Number:** 317-615-2691

**E-mail Address:** [squeen@dor.in.gov](mailto:squeen@dor.in.gov) or [fetax@dor.in.gov](mailto:fetax@dor.in.gov)

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Gasoline	6-6-1.1
Special Fuel	6-6-2.5
Aviation Fuel	6-6-13
Surcharge	6-6-4.1-4.5

## Section 3-State Point of Taxation

**Gasoline:** first received

**Special Fuel:** at the rack

**Aviation Fuel:** first received

**Jet Fuel:** first received

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

**First Receiver:**

Gasoline is taxed in Indiana at the first receiver level. The first receiver of gasoline must add the per gallon Indiana taxes to the selling price of the gasoline, even if the fuel is sold to another licensed distributor, so the ultimate consumer bears the burden of the tax.

Indiana Code 6-6-1.1-202 -- For fuel withdrawn from an instate refinery or terminal, the licensed distributor that owns the fuel when it is withdrawn is the first receiver. If the fuel is withdrawn for the account of a holder of a gasoline distributor license, then the licensed distributor for whose account the fuel was withdrawn is the first receiver.

Indiana Code 6-6-1.1-203-205 -- When gasoline is imported into Indiana and sold to a holder of a gasoline distributor license, then the licensed distributor that owns the fuel when it is unloaded in this state is the first receiver. If the imported gasoline is delivered to someone other than a licensed gasoline distributor, the first receiver is the licensed distributor that brought the fuel into the state.

**Point of Taxation:**

The gasoline tax in Indiana is imposed on the “first receiver.” Indiana Code 6-6-1.1-201 imposes the tax on the billed gallonage of all gasoline received in the state less any deductions. Indiana Code 6-6-1.1-201 through 207 defines when the gasoline is considered to be “received”.

Special fuel in Indiana is taxed “at the rack”. Special fuel – Indiana Code 6-6-2.5-28 – the tax is imposed on nonexempt special fuel received by a licensed supplier for sale or resale in Indiana or from a terminal outside Indiana for sale or export to Indiana (when subject to a tax precollection agreement) when it is removed from the terminal by the licensed supplier. The imposed tax is measured by the invoiced gallons received.

If the nonexempt special fuel is imported into Indiana, other than to a terminal, the tax is imposed at the time the product enters Indiana. The imposed tax is measured by the invoiced gallons received at a terminal or bulk plant.

**Section 5-State Tax Rates**

**These are the new tax rates effective on July 1, 2017**

- Gasoline:** \$0.28 + \$0.01 oil inspection fee
- Special Fuel:** \$0.26 + \$0.01 oil inspection fee + \$0.21 motor fuel surcharge
- Aviation Fuel:** \$0.28 + \$0.01 oil inspection fee + \$0.20 aviation fuel excise tax
- Jet Fuel:** \$0.01 oil inspection fee + \$0.20 aviation fuel excise tax

**Section 6-Rate Updates**

**Please list any rate updates for your state:**

Effective July 1, 2017, the tax rates for all fuels increased by ten cents per gallon. In addition, there is now a motor fuel surcharge of \$0.21 per gallon on taxable special fuels.

On June 1, 2018 new applicable tax rates for gasoline, special fuel, and the motor fuel surcharge will be determined. The new rate will be in effect from July 1, 2018 through June 30, 2019. The new rates will be equal to the product of the rate in effect on June 30, 2017 multiplied by the factor determined in Indiana Code 6-6-1.6-3. The new rates will be published on the department's website no later than June 1, 2018.

### **Section 7-State Collection Allowance**

Gasoline: billed gallons multiplied by .016  
Special Fuel: tax due multiplied by .016

### **Section 8-State Diversion Requirements**

#### **Diversion Required**

Yes

#### **If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

Special Fuel 6-6-2.5-40(f)  
Gasoline 6-6-1.1-606.5(h)

**What diversion registry program do you use?** Fuel Trac

#### **What products are subject to the diversion requirement?**

Gasoline and Special Fuel

#### **Diversion Requirements**

The shipper or its agent shall provide notification to the Department of Revenue of a diversion. The shipper, importer, transporter, shippers' agent and any purchaser, not the supplier or terminal operator, shall be jointly liable for any tax otherwise due as the result of the diversion.

#### **What party should apply for the refund if applicable? (Supplier, customer, etc)**

Customer responsible.

#### **Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

Yes, only if the customer does not have a license in Indiana and needs to pay the tax.

#### **If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

N/A

#### **Any Additional Comments?**

## Section 9-Alternative Fuels Incentives and Laws

Indiana is the proud home of the Greater Indiana Clean Cities Coalition ([www.greaterindiana.com](http://www.greaterindiana.com)) and the South Shore Clean Cities Coalition ([www.southshorecleancities.org](http://www.southshorecleancities.org)).

### State Incentives

#### Vehicle Research and Development Grants

The Indiana Twenty-First Century Research and Technology Fund is administered by the Indiana Economic Development Corporation and provides grants and loans to support proposals for economic development in areas including alternative fuel technologies and fuel efficient vehicle production. (Reference [Senate Bill](#) 106, 2007, and [Indiana Code](#) 5-28-16-2)

#### Biodiesel Price Preference

A governmental body, state educational institution, or instrumentality of the state that performs essential governmental functions on a statewide or local basis is entitled to a price preference of 10% for the purchase of fuels which are at least 20% biodiesel by volume or a primarily ester-derived fuel (other than alcohol) made from biological materials, including oilseeds and animal fats, for use in operating compression and ignition engines. (Reference [Indiana Code](#) 5-22-15-19)

## Section 10-Taxability & Tax Rates for Biodiesel and Ethanol

These are new taxes rates as of July 1, 2017.

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.26/gallon and \$0.01 oil inspection fee and \$0.21/gallon motor fuel surcharge	B100 is taxable	Subject to Inspection Fee and Motor Fuel Surcharge	\$0.28/gallon when blended and \$0.01 oil inspection fee	Not taxable until blended	Not taxable until blended

## Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel

These are new taxes rates as of July 1, 2017.

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is included in the statutory definition of special fuel and is taxed as a special fuel. The rate is \$0.26/gallon plus \$0.01 oil inspection fee plus \$0.21/gallon motor fuel	Pure ethanol is not subject to tax until blended with a taxable product.

surcharge. The tax is due when the B100 is imported. Dyed Biodiesel D00 – D99 is not taxed.	
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**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

These are new taxes rates as of July 1, 2017.

Fuel Type	Taxability	Conversion Rate if applicable
<b>CNG (Compressed Natural Gas)</b>	\$0.26/gallon and \$0.01 oil inspection fee and \$0.21/gallon motor fuel surcharge	1.25 therms of CNG = 1 CNG GGE gallons. The calculation is Number of therms of CNG divided by 1.25 = Number of CNG GGE gallons.
<b>E85</b>	\$0.28/gallon and \$0.01 oil inspection fee	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	Not Applicable	<b>Not Applicable</b>
<b>Gasoline Hybrid Vehicles</b>	Not Applicable	<b>Not Applicable</b>
<b>Hydrogen</b>	Not Applicable	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	\$0.26/gallon and \$0.01 oil inspection fee and \$0.21/gallon motor fuel surcharge	1.67 gallons of LNG = 1 LNG DGE gallon. The calculation is Number of gallons of LNG divided by 1.67 = Number of LNG DGE gallons.
<b>LPG (Liquefied Petroleum Gas)</b>	Decal Fee \$150.00 - \$750.00	<b>Not Applicable</b>
<b>Methanol or “M85”</b>	\$0.28/gallon and \$0.01 oil inspection fee	<b>Not Applicable</b>
<b>Other</b>	Not Applicable	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable
N/A	N/A	N/A

**Section 14-How does your state handle contaminated fuel?**

Contamination of fuel must be reported within one business day after the date the contamination occurred. If taxes have been paid on the contaminated fuel, the person that paid the taxes on the contaminated fuel may apply for a refund. Documentation of the taxes paid as well as

documentation that the contaminated fuel was properly disposed of must be provided with the refund claim.

**Section 15-Does your state allow bad debt credits?**

Yes, for Special Fuel only.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
MF-360 Gasoline Distributors Consolidated Monthly Tax Return	The 20 <sup>th</sup> of the following month	The 20 <sup>th</sup> of the following month
SF-900 Consolidated Special Fuel Monthly Tax Return	The 20 <sup>th</sup> of the following month	The 20 <sup>th</sup> of the following month except for Suppliers and Permissive Suppliers. Suppliers and Permissive Suppliers are required to make an estimated payment on the 15 <sup>th</sup> of the following month. The payment amount should be 100% of the amount paid the previous month, or 95% of the amount due for the current month with the remainder due on the 20 <sup>th</sup> .
AVF-150 Aviation Fuel Excise Tax Return	The 15 <sup>th</sup> of the following month	The 15 <sup>th</sup> of the following month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked date

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11:59 pm on due date)**

11:59 pm on the due date

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The reports and payments are due on the next business day

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
MF-360 Gasoline Distributors Consolidated Monthly Tax Return	Loss of the collection allowance. 10% of the tax due or \$5, whichever is greater	Loss of the collection allowance. 10% of the tax due or \$5, whichever is greater
SF-900 Consolidated Special Fuel Monthly Tax Return	Loss of the collection allowance. 10% of the tax due or \$5, whichever is greater	Loss of the collection allowance. 10% of the tax due or \$5, whichever is greater
AVF-150 Aviation Fuel Excise Tax Return	Loss of the collection allowance. 10% of the tax due or \$5, whichever is greater	Loss of the collection allowance. 10% of the tax due or \$5, whichever is greater

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E-85 is treated the same as gasoline in Indiana.

Per Indiana Code 6-6-1.1-103(s) "E85" means a fuel blend nominally consisting of eighty-five percent (85%) ethanol and fifteen percent (15%) gasoline (as described in subsection (g)(2)) that meets American Society for Testing and Materials standard specification 5798-99 for fuel ethanol for automotive spark-ignition engines (Ed75Ed85)

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes, licensed transporters are required to file a monthly return.

Gasoline: Per Indiana Code 6-6-1.1-606 every person that is not a licensed gasoline distributor that transports gasoline into or out of Indiana must file a monthly return. Indiana Code 6-6-1.1-606.5 requires that each person that transports gasoline into or out of Indiana, that is not a licensed gasoline distributor, obtain a transporter license. A distributor or transporter license is required to operate a vehicle to deliver gasoline within the boundaries of Indiana when the vehicle has a total tank capacity of at least eight hundred fifty (850) gallons.

Special Fuel: Per Indiana Code 6-6-2.5-60 each person operating as a transporter shall file monthly reports concerning the amount of special fuel transported in Indiana. Indiana Code 6-6-2.5-41(e) requires a person that is not licensed as a supplier that transports special fuel into or out of Indiana to obtain a transporter license.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

The company that owns the inventory in the terminal (the position holder) is the company that withdraws or removes the fuel from the terminal over the rack. The position holder must be a licensed gasoline distributor for gasoline and a licensed supplier for special fuel.

Flash title concept – Position holder (P) withdraws the fuel and sells the fuel to customer A who immediately sells the fuel to company B.

Gasoline: The licensed gasoline distributor (position holder) withdraws the fuel for the account of licensed gasoline distributor A and sells the fuel tax free. The title immediately passes from distributor A to licensed gasoline distributor B. Distributor A must charge distributor B the Indiana taxes since distributor A is the first receiver of the fuel in Indiana even if the fuel has an out of state destination. Distributor B must file for a refund of the Indiana taxes paid when the fuel is taken out of Indiana.

Special fuel: The licensed supplier (position holder) is responsible for collecting and remitting the tax. If the fuel is sold to the holder of an exporter license A for export from Indiana, then the fuel will be sold exempt of the Indiana tax. If the licensed exporter A immediately transfers the title to another licensed exporter B, then exporter A must charge exporter B Indiana tax. Only a licensed supplier can sell special fuel to a licensed exporter without charging the Indiana tax. Exporter B must file a claim for refund of the Indiana taxes paid on the fuel that was exported from Indiana.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Gasoline is not subject to the Indiana 7% sales tax. Gasoline is subject to the Indiana gasoline use tax. The gasoline use tax is a per gallon tax that changes each month. The rate is based on the previous month's statewide average retail price per gallon of gasoline multiplied by 7%. The current and past month's rates are published each month in Indiana Departmental Notice # 2 on the state's website: [www.in.gov/dor](http://www.in.gov/dor)

Qualified distributors will collect the gasoline use tax when gasoline is sold to a retail merchant. The gasoline use tax collected is calculated by multiplying the gasoline use tax rate by the number of invoiced gallons. The gasoline use tax is added to the price per gallon. The gasoline use tax cannot be charged to purchasers that present a valid sales tax exemption certificate, Form ST-105, to the seller.

Effective July 1, 2017, special fuels, including clear diesel and dyed diesel, are exempt from the 7% Indiana sales tax. Prior to July 1, 2017, the Indiana 7% sales tax was collected by a retailer when it was sold to an end user unless the end user had provided the seller with a valid sales tax exemption certificate, Form ST-105.

## **Section 25-What are your bonding requirements for your motor fuel license(s)?**

Per Indiana Code 6-6-1.1-406 licensed gasoline distributors are required to obtain a surety bond, a letter of credit, or a cash deposit of at least two thousand dollars (\$2,000) or three (3) month tax liability.

Per Indiana Code 6-6-2.5-44 a surety bond or cash deposit is required for each special fuel license of at least two thousand dollars (\$2,000) or two (2) month tax liability. Indiana exempts special fuel blenders and dyed fuel users from the bond requirement.

## **Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Gasoline:

- The licensed gasoline distributor that is the first receiver in Indiana is responsible for collecting and remitting the tax.
- Gasohol blenders are responsible for remitting the tax on the untaxed portion of fuel that was blended.

Special Fuel:

- Suppliers and permissive suppliers, importers, fuel blenders, dyed fuel users.
- A supplier shall collect and remit the tax on special fuel received at a terminal in Indiana with an Indiana destination.
- For fuel received at an out of state terminal for import into Indiana, the supplier or permissive supplier that has entered into a tax pre-collection agreement shall collect and remit the tax.
- For fuel received outside of Indiana for import into Indiana that is not subject to a tax pre-collection agreement, the importer shall collect and remit the tax.
- Fuel blenders are responsible for collecting and remitting the tax on the untaxed portion of the blended fuel.
- Dyed fuel users are responsible for reporting and remitting the tax on the amount of dyed fuel used on the road.

## **Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Only the information that is changing should be sent with a paper amended return. For EDI filers with a large number of transactions to amend, with departmental approval, a corrected EDI file may be submitted to replace the original file.

**Section 28-Does your state allow credit and rebills on the current month report?**

We do not allow credit and rebilling for taxes paid. Customers that paid the tax in error may apply for a refund from the department.

Credit and rebilling should only be done to collect and remit taxes that were not paid if the customer is not licensed in Indiana.

**Section 29-How many days are allowed to report late loads?**

Late loads should be reported on an amended return. Loads should be reported in the month in which they occur.

# STATE OF IOWA

## **Section 1-Contact Information**

**Agency:** Iowa Department of Revenue  
**Name:** Scott Fitzgerald  
**Street Address:** 1305 E Walnut, 4<sup>th</sup> Floor  
**City, State Zip Code:** Des Moines, IA 50319  
**Phone Number:** 515-281-5884  
**Fax Number:** 515-281-3756  
**E-mail Address:** scott.fitzgerald@iowa.gov

## **Section 2-Statutes and Rules**

**Please give reference to your Statutes and Rules:**

<https://www.legis.iowa.gov/>

Iowa state government website: <http://www.iowa.gov/>

## **Section 3-State Point of Taxation**

**Gasoline:** Rack (Iowa Code 452A.3.5)  
**Diesel:** Rack (Iowa Code 452A.3.5)  
**Aviation Fuel:** Rack (Iowa Code 452A.3.5)  
**Jet Fuel:** Rack (Iowa Code 452A.3.5)

## **Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

**First Receiver-:** The entity first receiving the fuel after it has crossed the rack.

**Point of Taxation:** Rack (Iowa Code 452A.3.5)

### Section 5-State Tax Rates

<b>Fuel Type Number</b>	<b>Fuel Type</b>	<b>Prior to 3/01/15</b>	<b>3/1/15 to 6/30/15</b>	<b>7/1/15 to 6/30/16</b>	<b>7/1/16 to 6/30/17</b>	<b>Beginning 7/1/17</b>
054	Liquefied Petroleum Gas (LPG)	\$0.200	\$0.300	\$0.300	\$0.300	\$0.300
065	Gasoline	\$0.210	\$0.310	\$0.308	\$0.307	\$0.305
079	E85	\$0.190	\$0.290	\$0.293	\$0.290	\$0.290
123	Alcohol	\$0.190	\$0.290	\$0.293	\$0.290	\$0.290
124	Ethanol Blended Gasoline	\$0.190	\$0.290	\$0.293	\$0.290	\$0.290
125	Aviation Gasoline	\$0.080	\$0.080	\$0.080	\$0.080	\$0.080
130	Aviation Jet	\$0.030	\$0.050	\$0.050	\$0.050	\$0.050
169	Diesel (including biodiesel B10 and lower)	\$0.225	\$0.325	\$0.325	\$0.325	\$0.325
179	Biodiesel B11 or Higher	\$0.225*	\$0.325*	\$0.295	\$0.295	\$0.295
224	Compressed Natural Gas (CNG)	\$0.210	\$0.310	\$0.310	\$0.310	\$0.310

### Section 6-Rate Updates

**Please list any rate updates for your state:**

Rates are updated July 1<sup>st</sup>. [Iowa Tax / Fee Descriptions and Rates](#). (Click on “Fuel Tax” to see the fuel tax rates).

### Section 7-State Collection Allowance

452A.5 Distribution allowance.

A supplier shall retain a distribution allowance of not more than one and six-tenths percent of all gallons of motor fuel and a distribution allowance of not more than seven-tenths percent of all gallons of undyed special fuel removed from the terminal during the reporting period for purposes of tax computation.

The distribution allowance shall be prorated between the supplier and the distributor or dealer as follows:

1. Motor fuel: four-tenths percent retained by the supplier, one and two-tenths percent to the distributor.
2. Undyed special fuel: thirty-five hundredths percent retained by the supplier, thirty-five hundredths percent to the distributor or dealer purchasing directly from a supplier. Gallons exported outside of the state shall not be included in the calculation of the distribution.

## **Section 8-State Diversion Requirements**

**Diversion Required** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?** Fueltrac

**What products are subject to the diversion requirement?**

### **Diversion Requirements**

We do receive information from the National Diversion Registry. We would require the supplier to credit/rebill customers.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Supplier would have to request a refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

Iowa is the home of the Iowa Clean Cities Coalition ([www.energy.iowa.gov/ICCC/index.html](http://www.energy.iowa.gov/ICCC/index.html)).

### **State Incentives**

#### **Ethanol Promotion Tax Credit**

Beginning January 1, 2009, an Ethanol Promotion Tax Credit is available to any Iowa fuel retailer for up to \$0.08 per gallon of pure ethanol blended into gasoline, as long as the retailer sells a certain percentage of renewable fuels (ethanol and biodiesel) as part of their total motor fuel sales on a company-wide or a site-by-site basis. In calendar year 2017, retailers with total sales above 200,000 gallons must have pure biofuel sales comprising 21% or more to be eligible for the maximum tax credit; smaller retailers must meet a 17% threshold. These thresholds rise each year. For retailers within 2% of meeting these thresholds, the tax credit equals \$0.06 for every gallon sold of pure ethanol blended into gasoline. For retailers within 4% of meeting these thresholds, the tax credit equals \$0.04 for every pure ethanol gallon sold. The governor may adjust the percentages if certain flexible fuel vehicle registration targets are not met or if there is a shortage of biofuel feedstock. The tax credit expires after December 31, 2020. (Reference Iowa Code 422.11N)

### **E85 Gasoline Promotion Tax Credit**

Iowa retailers selling E85 (70% ethanol to 85% ethanol) are eligible for the E85 Gasoline Promotion Tax Credit in the amount of \$0.16 per gallon for calendar years 2012-2024. The tax credit expires after December 31, 2024. Eligible taxpayers may also claim the Ethanol Promotion Tax Credit for the same ethanol gallons and tax year. (Reference Iowa Code 422.11O)

### **Biodiesel Blended Fuel Tax Credit**

Iowa retailers selling biodiesel blends containing a minimum of 5% biodiesel (B5) are eligible for the Biodiesel Blended Fuel Tax Credit of \$0.045 per gallon of biodiesel sold. Effective January 1, 2018, diesel fuel rated B5 or higher but less than B11 will receive a credit of \$0.035 cents per gallon, and diesel fuel rated B11 or higher will receive a credit of \$0.055 cents per gallon. The tax credit expires December 31, 2024. (Reference Iowa Code 422.11P)

### **E15 Plus Gasoline Promotion Tax Credit**

Iowa retailers selling gasoline fuel blends of 15% ethanol (E15) up to 69% ethanol (E69) are eligible for the E15 Plus Gasoline Promotion Tax Credit. Effective in tax year 2014, tax credit amounts vary by date, where September 16 through May 31 the credit is equal to \$0.03 per gallon, and June 1 through September 15 the credit is equal to \$0.10 per gallon. The tax credit expires after December 31, 2024. Eligible taxpayers may also claim the Ethanol Promotion Tax Credit for the same ethanol gallons and tax year. (Reference Iowa Code 422.11Y)

### **Biodiesel Production Sales/Use Tax Refund**

For biodiesel gallons produced between January 1, 2012 and December 31, 2017 a taxpayer who qualifies as a biodiesel producer may apply for a sales tax refund. The person must be engaged in the manufacturing of biodiesel. The refund amount is \$0.02 per gallon up to 25 million gallons per calendar year for 2014-2024. The refund will expire after December 31, 2024.

### **Biofuels Infrastructure Grants**

The Renewable Fuel Infrastructure Program provides financial assistance to retail operators of motor fuel dispensing sites or fueling stations in the conversion of their equipment to allow the expanded use of renewable fuels in Iowa. The program utilizes grant incentives to encourage these upgrades. The program is managed by the Iowa Department of Agriculture.

Reimbursement can be for 50% of the costs for specific components of a project with a three year commitment required to sell certain renewable fuels. A five year commitment to store and sell renewable fuels and install certain equipment can result in up to 70% reimbursement for specific equipment or installation costs. Heat biodiesel terminal equipment and/or infrastructure can receive funding for up to \$100,000 per project.

### **Alternative Fuel Vehicle (AFV) Demonstration Grants**

The Iowa Department of Natural Resources conducts marketing and education outreach to encourage the use of alternative fuels and, contingent upon funding, also awards demonstration grants to individuals who purchase vehicles that operate on alternative fuels, including but not limited to, high ethanol content blends, compressed natural gas, electricity, solar energy, or hydrogen. (Reference Iowa Code 214A.19)

### **Alternative Fuel Loan Program (AERLP)**

The (AERLP) for alternative energy projects is administered by the Iowa Energy Center. Through a participation agreement with the project lender, the program provides up to half the cost of biomass or alternative fuels related fuel production projects, up to a maximum of \$1 million per facility. The AERLP funds are provided at 0% interest with the lender's funds bearing market interest. Fuel production facilities must be located in Iowa. (Reference <http://www.legis.iowa.gov/>Iowa Code 476.46)

### **Alternative Fuel Production Loans**

The Value-Added Agricultural Products and Processes Financial Assistance Program offer a combination of forgivable and traditional low-interest loans for business projects involving the production of alternative fuels. The mixture of forgivable and low-interest loans varies according to the size of the award. Research and development projects are not eligible for this program.

### **Alternative Fuel Production Tax Credits**

The Enterprise Zone Program (prior to July 1, 2014) and the High Quality Job Program offer state tax incentives to business projects for the production of biomass or alternative fuels. Depending on the program, incentives may include: an investment tax credit equal to a percentage of the qualifying investment, amortized over five years; a refund of state sales, service, or use taxes paid to contractors or subcontractors during construction; a doubling of the state's refundable research activities credit; additional funding for training new employees; and a local property tax exemption of up to 100% of the value added to the property.

### **Alternative Fuel Research and Development**

The Iowa Power Fund, administered through the Office of Energy Independence, supports research, development, commercialization, and deployment of biofuels, renewable energy technologies, and energy efficiency technologies, while seeking to cut greenhouse gas emissions. The fund will educate the public about these technologies with the goal of increasing the demand for them. The \$100 million fund will be run by an 18-member board, with oversight from a seven-member committee of legislative and university leaders. (Reference Iowa Code 469.9)

## **State Laws and Regulations**

### **Renewable Fuels Promotion and Education**

The Iowa Office of Energy Independence (OEI) (which subsequently has become part of the Iowa Economic Development Authority) is directed to develop a renewable fuels marketing plan to promote the state's biofuels industry and present it to the governor and the general assembly by March 15, 2009. The plan will include research efforts to identify barriers to increased use of renewable fuels, such as infrastructure limitations and consumer awareness. Additionally, the OEI will conduct a direct marketing campaign that promotes the use of ethanol and biodiesel blends and targets owners of flexible fuel vehicles (FFV) and diesel powered vehicles, which will be completed by December 15, 2008. As part of this campaign, the OEI will provide consumers with information including, but not limited to, fueling station locations, cold weather handling and use of biodiesel, and engine warranty statements. (Reference House File 2689, 2008)

### **E85 Fuel Exclusivity Contract Regulations**

Any motor fuel franchise contract entered into or renewed on or after May 30, 2006, must allow for the delivery of E85 at any time demanded by the motor fuel dealer or allow the dealer to purchase E85 from another source. If a contract is already in effect on May 30, 2006, and does not have an expiration date, the franchisor must provide for the delivery of E85 at times demanded by the franchisee or allow the franchisee to purchase those volumes of E85 at those times from another source. (Reference Iowa Code 323A)

### **Renewable Fuel Standard**

For retailers who sell 200,000 or more gallons per year, the goal of the Iowa Renewable Fuel Standard is to replace 25% of gasoline in the state with biofuels (ethanol or biodiesel) by January 1, 2021. One provision of the standard is to require retailers to sell a certain percentage of renewable fuels as part of their total gasoline sales. Both biodiesel and ethanol count towards meeting the RFS schedule as follows:

<b>Year: % Biofuel Use</b>	<b>Year: % Biofuel Use</b>
2011: 12%	2016: 19%
2012: 13%	2017: 21%
2013: 14%	2018: 23%
2014: 15%	2019: 23%
2015: 17%	2020: 25%

(Reference Iowa Code 422.11N)

### **Renewable Fuel Labeling Requirement**

If motor vehicle fuel blended with a renewable fuel is sold from a motor vehicle fuel dispenser, the dispenser must have a decal affixed identifying the name of the renewable fuel. The decal may be different based on the type of renewable fuel used. For the purpose of this requirement, renewable fuel includes fuel blends of biodiesel and ethanol. If fuel blends containing more than 10% ethanol (E10) are being dispensed, the decal must include the following statement: “For Flexible Fuel Vehicles Only.” The Iowa Department of Agriculture and Land Stewardship (Department) may approve an application to place a decal in a special location on a pump with special lettering or colors if the decal appears clear and conspicuous to the consumer. The application must be made in writing to the Department. (Reference House File 2689, 2008, and Iowa Code 214A.16)

### **Regional Biofuels Promotion Plan**

Iowa has joined Indiana, Kansas, Michigan, Minnesota, Ohio, South Dakota, and Wisconsin in adopting the Energy Security and Climate Stewardship Platform Plan (Platform) ([PDF 2 MB](#)),

which establishes shared goals for the Midwest region, including increased biofuels production and use. Specifically, the Platform sets the following goals:

- Produce commercially available cellulosic ethanol and other low-carbon fuels in the region by 2012;
- Increase E85 availability at retail fueling stations in the region to 15% of stations by 2015, 20% by 2020, and 33% of all fueling stations in the region by 2025;
- Reduce the amount of fossil fuel that is used in the production of biofuels by 50% by 2025;
- By 2025, at least 50% of all transportation fuels consumed by the Midwest will be from regionally produced biofuels and other low-carbon transportation fuels.

The Platform also establishes a regional biofuels corridor program. The program directs state transportation, agriculture, and regulatory officials to develop a system of coordinated signage across the region for biofuels and advanced transportation fuels and to collaborate to create regional E85 corridors. The program requires standardized fuel product coding at fueling stations as well as increased education for retailers about converting existing fueling infrastructure to dispense E85. The state transportation, agriculture, and regulatory officials were required to report their corridor implementation plans to the [Midwest Governors Association](#) by April 1, 2008.

#### **State Fleet Biofuels Use and Fuel Efficiency**

As part of the Green Government Initiative, the Iowa Office of Energy Independence (OEI), Department of Administrative Services, Department of Natural Resources, and Department of Transportation will lead a Biofuels Task Force. The Biofuels Task Force is directed to focus on issues including: increasing the use of biofuels by state agencies to the maximum amount feasible; and increasing the fuel efficiency of the state's vehicle fleet. The Biofuels Task Force will set specific five- and ten-year targets related to these areas, which will be included in the Green Government Master Plan. Progress toward these goals will be tracked using a reporting system developed under the Green Government Initiative, and resulting data will be made public via the OEI whenever possible. (Reference Executive Order 6, 2008)

#### **Ethanol Blended Fuel Use Requirement**

State fleet gasoline vehicles may not operate using fuel other than ethanol blended gasoline, unless under emergency circumstances. Vehicles must be affixed with a brightly visible sticker that notifies the public that the motor vehicle uses ethanol blended gasoline. However, the sticker is not required for unmarked vehicles used for law enforcement or security purposes. (Reference Iowa Code 8A.362)

#### **Biodiesel Decal and Fuel Use**

An Iowa Department of Transportation (IDOT) motor vehicle operating on biodiesel fuel must be affixed with a brightly visible sticker that notifies the public that the motor vehicle uses biodiesel fuel. Biodiesel fuel for use in IDOT vehicles may be purchased by IDOT using the biodiesel fuel revolving fund created in the state treasury. The fund consists of money received from the sale of Energy Policy Act (EPAct) credits banked by IDOT as of April 19, 2001, and other money obtained or accepted by IDOT for deposit in the fund. (Reference Iowa Code 307.20)

### **Flexible Fuel Vehicle (FFV) Acquisition Requirements**

By June 30, 2009, at least 60% of fuel purchased for use in the state's fleet of FFVs must be E85. A "State Government E85 Use Plan" must be created and detail how this fuel use goal will be met and how the state and retailers will work together to ensure that all E85 purchases are electronically coded and reported accurately. The Department of Administrative Services will provide regularly updated lists of E85 fueling stations to state employees. (Reference Executive Order 3, 2007)

### **Alternative Fuel Vehicle (AFV) Acquisition Requirements**

A minimum of 10% of new light-duty vehicles purchased by institutions under the control of the state fleet administrator, Iowa Department of Transportation administrator, board of directors of community colleges, state board of regents, commission for the blind, and department of corrections must be capable of using alternative fuels. Vehicles and trucks purchased and directly used for law enforcement, off-road maintenance work, or to pull loaded trailers are exempt from this requirement. (Reference Iowa Code 216B.3, 260C.19A, 262.25A, 307.21 and 904.312A)

### **Alternative Fuel Vehicle (AFV) Conversion Registration**

When a motor vehicle is modified to use a different fuel type or to use more than one fuel type, the person whose name the vehicle is registered under must notify the county treasurer of the new fuel type or alternative fuel types within 30 days. If the vehicle uses, or may use, a special fuel, the county treasurer will issue a special fuel identification sticker. (Reference Iowa Code 321.41)

### **Electric Vehicle (EV) Registration Fee**

The annual registration fee for an EV is \$25.00 unless the vehicle is more than five model years old, in which case the annual registration fee is reduced to \$15.00. This section does not apply to low-speed EVs. (Reference Iowa Code 321.116)

### **Low-Speed Vehicle Access to Roadways**

Low-speed vehicles are allowed access to roadways with posted speed limits of up to 35 miles per hour (mph). A low-speed vehicle may cross a street with a posted speed limit greater than 35 mph. (Reference Iowa Code 321.381A)

### **Utilities/Private Incentives**

There are currently no known utility or private incentives offered in Iowa.

## **Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
See Section 4 for multiple rates.	B100 is taxable		See Section 4 for multiple rates.	Ethanol is taxable	

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
See Section 4 for multiple rates.	See Section 4 for multiple rates.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	See Section 4 for multiple rates.	
<b>E85</b>	See Section 4 for multiple rates.	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	<b>Not Applicable</b>	
<b>Gasoline Hybrid Vehicles</b>	Same as gasoline	<b>Not Applicable</b>
<b>Hydrogen</b>	<b>Not Applicable</b>	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	See Section 4 for multiple rates.	
<b>LPG (Liquefied Petroleum Gas)</b>	See Section 4 for multiple rates.	
<b>Methanol or “M85”</b>	<b>Not Applicable</b>	<b>Not Applicable</b>
<b>Other</b>	<b>Not Applicable</b>	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>Gasohol blending components</b>	See Section 4 for multiple rates.	<b>Yes</b>
<b>BioDiesel blending components</b>	See Section 4 for multiple rates.	<b>Yes</b>

**Section 14-How does your state handle contaminated fuel?**

Iowa allows a refund of the motor fuel tax paid on fuel that has been contaminated. Form 82-011 Casualty Loss/Special Fuel Blending Error must be completed along with Form 82-006 Special Fuel Refund Claim along with any supporting documentation.

**Section 15-Does your state allow bad debt credits?**

Yes, the Supplier may be allowed a bad debt credit if the sale was made to an approved Iowa Eligible Purchaser.

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment
Tax returns are required to be filed by the licensee no later than the last day of the month following the month in which the fuel was withdrawn from the terminal or, in the case of LPG, LNG, or CNG, placed into the fuel supply tank of a motor vehicle. Importers are required to file semimonthly.	Last day of the month for monthly filers. The 15 <sup>th</sup> and the last day of the month for semimonthly filers.	Same day as the return.

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Returns must be electronically filed and must be filed by the due date, or the next business day if the due date is on a holiday or weekend.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

4pm on due date for ePayment to be timely. Midnight on due date for eFiled return to be timely.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

10% Penalty for Failure to Timely File a Return:

If the return is not filed by the due date and at least 90% of the correct tax is not paid, an additional 10% penalty of the unpaid tax is due.

5% Penalty for Failure to Timely Pay the Tax Due:

If the your return is on time but at least 90% of the correct tax due has not been paid, an additional 5% penalty of the unpaid tax is due.

Name of Report	Report Penalties	Payment Penalties
Penalties are the same across tax types.	10% if return is not filed by the due date and 90% of the correct tax is not timely paid. If return is filed timely but 90% is not timely paid, the penalty is 5%.	

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

*“E-85 gasoline” or “E-85” is defined as ethanol blended gasoline formulated with a minimum percentage of between seventy and eighty-five percent by volume of ethanol. E-86 to E-99 is also considered “E-85” for reporting purposes.*

The rate of the excise tax on E-85 gasoline shall be determined based on the number of gallons of E-85 gasoline that are distributed in this state during the previous calendar year. The department shall determine the actual tax paid for E-85 gasoline for each period beginning January 1 and ending December 31. The amount of the tax paid on E-85 gasoline during the past calendar year shall be compared to the amount of tax on E-85 gasoline that would have been paid using the tax rate for gasoline and a difference shall be established. If this difference is equal to or greater than twenty-five thousand dollars, the tax rate for E-85 gasoline for the period beginning July 1 following the end of the determination period shall be the ethanol blended gasoline rate. If the difference is less than twenty-five thousand dollars, the tax rate shall be seventeen cents.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes, transporter returns are required under Iowa Administrative Rule 701—68.17, Iowa Code section 452A.15(1). They are to be filed by railroad carriers, common carriers, contract carriers, distributors transporting fuel for others, and anyone else transporting fuel from without the state and unloading it at other than terminal storage within the state. The report must include all fuel which was imported into Iowa and unloaded at other than terminal storage, all fuel withdrawn from Iowa terminal storage and delivered in Iowa, and all fuel withdrawn from Iowa terminal storage and exported from Iowa.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

Transactions occurring above the rack are tax-free. The entity last owning the fuel before it leaves the terminal rack is responsible to report and remit tax.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Motor fuel and special fuel are exempt from sales tax when used on the highway or in watercraft or aircraft if the fuel tax has been paid and no refund of the fuel tax has been allowed. When a fuel tax refund is allowed, the sales tax is deducted from the refund unless it is used for a purpose that is exempt from sales tax. In some instances, the amount of sales tax which would be due may exceed the amount of fuel tax refund allowed. This can happen because the fuel tax rate is a flat amount per gallon and is not impacted by the price of the fuel. On the other hand, sales tax is based on the price paid for the fuel, so as the price goes up, the sales tax also goes up. If this situation occurs, taxpayers may elect to not claim the fuel tax refund, since if they did, they would owe the difference between the sales tax and the fuel tax refund. Dyed diesel would normally be subject to sales tax, unless the purchaser qualifies for a sales tax exemption. The sales tax rate has not changed in several years. The sales tax rate is based on value. Sales tax is collected semi-monthly, monthly, quarterly, or annually based on filing status.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

When necessary and advisable to secure payment of tax, the Department may require a bond of any license holder. The Department generally requires a bond on a new applicant only if the applicant has established an unfavorable filing or remittance record on a previous license or if the Department feels the applicant's financial status is such that timely payment of taxes is questionable.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Fuel tax is payable to the Department by the supplier, restrictive supplier, importer, blender, or any other person who possesses taxable fuel upon which the tax has not been paid.

**Supplier**

A person who:

- Acquires motor fuel or special fuel by pipeline or marine vessel from a state, territory, or possession of the United States or from a foreign country for storage at and distribution from a terminal and who is registered under 26 U.S.C. 4101 for tax-free transactions in gasoline or
- Produces alcohol or alcohol derivative substances in this state or acquires it by truck, railcar, or barge for storage at and distribution from a terminal or
- Produces or acquires biofuel or biodiesel for storage at and distribution from a terminal or
- Produces, manufactures, or refines motor fuel or special fuel in this state. "Supplier" also includes a person who does not meet the jurisdictional connection to this state but voluntarily agrees to act as a supplier for purposes of collecting and reporting the motor fuel or special fuel tax.

Note: A retail dealer or wholesaler who merely blends alcohol with gasoline or biodiesel with diesel before the sale or distribution of the product or a terminal operator who merely handles, in a terminal, motor fuel, or special fuel consigned to the terminal operator does not qualify as a supplier.

#### Importer

A person who imports untaxed motor fuel or non-dyed special fuel in bulk or transports loads into the state by truck, rail, or barge.

#### Restrictive Supplier

A person not licensed as an importer but who imports untaxed motor fuel or non-dyed special fuel into this state in amounts of less than 4,000 gallons in tank wagons or in small tanks.

#### Blender

A person who owns and blends alcohol with gasoline to produce ethanol blended gasoline at a non-terminal location. A blender is also a person who blends special fuel products at a non-terminal location where the tax has not been paid on all of the products blended.

#### Exporter

A person who acquires fuel in this state for export to another state. This person must be licensed in the state the fuel is exported to, so the tax can be paid to that state.

#### Eligible Purchaser

A distributor of motor fuel or special fuel who elects to make delayed tax payments to a licensed supplier by EFT.

#### Eligible Purchaser End User

An end user of special fuel who has purchased a minimum of 240,000 gallons of special fuel in each of the preceding two years who elects to make delayed payments to a licensed supplier by EFT.

#### Licensed Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG), and Liquefied Petroleum Gas (LPG) Dealer

A person in the business of handling untaxed compressed natural gas, liquefied natural gas, or liquefied petroleum gas who delivers any part of the fuel into a fuel supply tank of any motor vehicle. A dealer may also fuel the dealer's own vehicles under this license.

#### Licensed Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG), and Liquefied Petroleum Gas (LPG) User

A person who dispenses compressed natural gas, liquefied natural gas, or liquefied petroleum gas for highway use, upon which the special fuel tax has not been previously paid, from fuel sources owned and controlled by the person into the fuel supply tank of a motor vehicle or commercial vehicle owned or controlled by the person.

#### Licensed Compressed Natural Gas (CNG), Liquefied Natural Gas, and Liquefied Petroleum Gas (LPG) Consolidated

A separate license is required for each location where CNG, LNG, or LPG is delivered into the fuel supply tank of a motor vehicle. For reporting purposes a licensee may file a separate return for each separately licensed location; or, if arrangements have been made with the Department, the licensee may file a consolidated return reporting all sales made at all locations for which a license is held. However, a consolidated return may not be used to combine dealer and user operations.

#### Storage Facility

A motor fuel, alcohol, or special fuel storage and distribution facility (IRS registered terminal or non-terminal) which fuel is delivered into, stored within, withdrawn from or sold from. This includes ethanol plants and biodiesel plants.

Transportation (Common Carrier or Contract Carrier) A person involved in the movement of motor fuel or special fuel imported into the state, who is not the owner of the motor fuel or special fuel.

### **Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

The entire return is required when amending information.

### **Section 28-Does your state allow credit and rebills on the current month report?**

Yes, credit and rebills are allowed on the current month report.

### **Section 29-How many days are allowed to report late loads?**

Late loads are allowed on the current month report and may be subject to interest.

# STATE OF KANSAS

## Section 1-Contact Information

**Agency:** Kansas Department of Revenue

**Name:** Cindy Mongold

**Street Address:** 915 S.W. Harrison St.  
Customer Relations – Motor Fuel  
Docking State Office Bldg.

**City, State, Zip Code;** Topeka, KS 66625

**Phone Number:** 785-296-7048

**Fax Number:** 785-296-4993

**E-mail Address:** Cindy.mongold@ks.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Kansas Statutes Annotated:  
K.S.A. 79-3401 et. seq.

Kansas Administrative Regulations:  
K.A.R. 92-3-4 et. seq. – Motor Vehicle Fuel  
K.A.R. 92-14-1 et. seq. – Liquid Petroleum  
K.A.R. 92-18-1 et. seq. – Special Fuel  
K.A.R. 92-26-1 et. seq. – Alcohol Producer Incentive  
K.A.R. 92-27-1 et. seq. – Biodiesel Producer Incentive  
K.A.R. 92-28-1 et. seq. – Retail Dealer Incentive (not currently funded)

## Section 3-State Point of Taxation

**Gasoline:** Distributor

**Diesel:** Distributor

**Aviation Fuel:** Reportable, but not taxable unless used in a taxable manner. Since motor fuel tax does not apply, sales tax does.

**Jet Fuel:** Reportable, but not taxable unless used in a taxable manner. Since motor fuel tax does not apply, sales tax does.

**Section 4-Please define “First Receiver” and “Point of Taxation” and  
site your statutory reference regarding point of taxation.**

First Receiver: N/A Kansas statute does not define “First Receiver”

Point of Taxation: Distributor of first receipt

K.S.A. 79-3408. Tax imposed on use, sale or delivery of motor-vehicle fuels or special fuels; importation of motor-vehicle fuels or special fuels; incidence of tax imposed on distributor; allowance for certain losses; exempt transactions; reports required. (a) A tax per gallon or fraction thereof, at the rate computed as prescribed in K.S.A. 79-34,141, and amendments thereto, is hereby imposed on the use, sale or delivery of all motor-vehicle fuels or special fuels which are used, sold or delivered in this state for any purpose whatsoever.

(b) Unless otherwise specified in K.S.A. 79-3408c, and amendments thereto, the incidence of this tax is imposed on the distributor of the first receipt of the motor fuel and such taxes shall be paid but once. Such tax shall be computed on all motor-vehicle fuels or special fuels received by each distributor, manufacturer or importer in this state or imported by any distributor, manufacturer or importer into this state and paid in the manner provided for herein, except that an allowance of 2.5% shall be made and deducted by the distributor to cover all ordinary losses which may have resulted from physical loss while handling such motor-vehicle fuels or special fuels. No such allowance shall be made on any motor-vehicle fuel or special fuel exported from the state or sold to the United States of America or any of its agencies or instrumentalities as are now or hereinafter exempt by law from liability to state taxation. No such allowance shall be made for any motor-vehicle fuel or special fuel sold or disposed of to a consumer in tank car, transport or pipeline lots. As used in this subsection, the term "distributor of the first receipt" shall include distributors, manufacturers and importers that import motor-vehicle fuels or special fuels into Kansas.

**Section 5-State Tax Rates**

**Gasoline:** \$.24 per gallon

**Diesel:** \$.26 per gallon

**E-85:** \$.17 per gallon

**Natural Gas**

**LPG (Propane):** \$.23 per gallon

**LNG:** \$.26 per DGE

**CNG:** \$.24 per GGE

**Aviation Fuel:** \$.24 per gallon if used in a taxable manner.

**Jet Fuel:** \$.26 per gallon if used in a taxable manner.

## **Section 6-Rate Updates**

### **Please list any rate updates for your state:**

Kansas Motor Fuel tax rates have remained the same since July 1, 2003, with the exception of a separate tax rate of \$.17 per gallon for E-85, effective January 1, 2007.

CNG tax rate changed to \$.24 per GGE and LNG changed to \$.26 per DGE effective July 1, 2014 as a result of 2014 House Bill 2057.

## **Section 7-State Collection Allowance**

The Kansas handling allowance rate is 2.5% for all taxable fuels. The handling allowance cannot be claimed on direct sales from the terminal to a consumer. Importer/exporter licensees are not eligible to receive the handling allowance.

See K.S.A. 79-3408.

## **Section 8-State Diversion Requirements**

**Diversion Required** No.

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

NA.

**What diversion registry program do you use?**

Kansas does not require registration of diversions; however, we do subscribe to and receive diversion information from the National Fuel Diversion Registry provided by Trac III Systems.

**What products are subject to the diversion requirement?**

NA.

**Diversion Requirements**

NA.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

NA.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

NA.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load? Yes.**

**Any Additional Comments?** NA.

## **Section 9-Alternative Fuels Incentives and Laws**

Kansas is the proud home of the Kansas City Regional Clean Cities Coalition (<http://www.kcenergy.org/transportation.html>). Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

#### **Ethyl Alcohol Producer Incentive**

The Kansas Qualified Agricultural Ethyl Alcohol Producer Fund enables qualified agricultural ethyl alcohol producers to apply for a production incentive with the Department of Revenue. This incentive shall be payable for no more than seven years to any one producer.

- \$0.035 for each gallon produced and **sold** by the producer. (Note: This incentive was reduced to \$0.035 per gallon sold effective July 1, 2011. The old rate was \$0.075 per gallon sold. The rate change, type of alcohol and sunset dates were revised pursuant to 2011 HB2122).
- Producers who were in production prior to July 1, 2001 and who increased production capacity on or after July 1, 2001 by an amount of 5 million gallons, qualify for the incentive, for a maximum of 15 million gallons sold per year.
- Producers who commenced production on or after July 1, 2001, but prior to July 1, 2012, and who sold at least 5 million gallons, qualify for the incentive, for a maximum of 15 million gallons sold per year.
- Any producer who commences **cellulosic** alcohol production on or after July 1, 2012 must have sold at least five million gallons to qualify for the incentive, for a maximum of 15 million gallons sold per year. This provision shall not apply to producers who commence alcohol production from grain.
- \$875,000 per quarter is added to the fund for distribution. If production exceeds the fund balance, a proration of the distribution is performed.
- Program sunsets July 1, 2018.

(Reference [Kansas Statutes](#) 79-34,160 et. seq.)

#### **Biodiesel Fuel Producer Incentive - Program expired July 1, 2016.**

(Reference [Kansas Statutes](#) 79-34,155 et. seq.)

#### **Retail Dealer Incentive**

**NOTE: Funding for this incentive has not been provided to date.**

Beginning January 1, 2009, a licensed retail motor fuel dealer may receive a quarterly incentive for selling and dispensing renewable fuels, including biodiesel. Qualified motor fuel retail dealers are eligible for up to \$0.065 for every gallon of renewable fuel sold and up to \$0.03 for every gallon of biodiesel sold, if the required threshold percentage is met. The threshold percentage for the incentive payment will increase on an annual basis from 10% for renewable fuel and 2% for biodiesel in 2009 to 25% beginning on January 1, 2025. Funds will be allocated from the Kansas Retail Dealer Incentive Fund.

Kansas Retail Dealers Incentive Fund was created for the payment of incentives to Kansas retail dealers who sell and dispense renewable fuels or biodiesel through a motor fuel pump.

- This incentive is ‘not’ funded through June 30, 2014, for FY2014. (Per 2011 Senate Bill 294).
- This incentive continues to ‘not’ be funded through June 30, 2016, for fiscal years 2015 and 2016. (Per 2013 Senate Bill 171).
- 2015 SB 112 Appropriations Bill does not fund the Retail Dealer Incentive for the fiscal years of 2016, 2017 and 2018.
- The provisions of the Kansas Retail Dealers Incentive Fund shall expire on January 1, 2026.

(Reference [Kansas Statutes](#) 79-34,170 et. seq)

### **Alternative Fuel Vehicle (AFV) Tax Credit**

The state offers an income tax credit worth up to 40% of the incremental or conversion cost for qualified AFVs placed into service after January 1, 2005, as outlined in the chart below. Qualified AFVs include vehicles that operate on a combustible liquid derived from grain starch, oil seed, animal fat, or other biomass, or produced from a biogas source.

<b>GVWR</b>	<b>Credit</b>
Less than 10,000 lbs.	Up to \$2,400
10,000 to 26,000 lbs.	Up to \$4,000
Over 26,000 lbs.	Up to \$40,000

Alternatively, a tax credit in an amount not to exceed the lesser of \$750 or 5% of the cost of the AFV is available to a taxpayer who purchases an original equipment manufacturer AFV. This credit is allowed only to the first individual to take title of the vehicle. For motor vehicles capable of operating on E85, the individual claiming the credit must provide evidence of purchasing at least 500 gallons of E85 between the time the vehicle was purchased and December 31 of the next calendar year. This tax credit should be deducted from the taxpayer's income tax liability for the taxable year in which the expenditures are made. In the event the credit is more than the taxpayer's tax liability for that year, the remaining credit may be carried over for up to three years after the year in which the expenditures were made. For tax year 2013 and all tax years thereafter, this income tax credit shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to subsection (c) of K.S.A. 79-32,110, and amendments thereto, and shall be applied against such taxpayer's corporate income tax liability. (Reference [Kansas Statutes](#) 79-32,201)

### **Alternative Fuel Refueling Infrastructure Tax Credit**

The state offers an income tax credit for alternative fuel refueling stations placed in service after January 1, 2009. The tax credit, worth up to 40% of the total amount, may not exceed \$100,000. This tax credit should be deducted from the taxpayer's income tax liability for the taxable year in which the expenditures are made. In the event the credit is more than the taxpayer's tax liability

for that year, the remaining credit may be carried over for up to three years after the year in which the expenditures were made. For tax year 2013 and all tax years thereafter, this income tax credit shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to subsection (c) of K.S.A. 79-32,110, and amendments thereto, and shall be applied against such taxpayer's corporate income tax liability. (Reference [Kansas Statutes 79-32,201](#))

### **Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.26/gallon	B100 is taxable	B100 is subject to the Environmental Assurance Fee (EAF). <i>(All other blends are subject to EAF and Petroleum Products Inspection Fee).</i>	E100	Not taxable until blended.  \$0.17/gallon for E85 \$0.24/gallon for all other blends	Not subject to Petroleum Products Inspection Fee or Environmental Assurance Fee until blended

### **Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 and all blends are treated like diesel fuel. The tax rate is \$0.26/gallon. A license is required to import B100 and all blends (Liquid Fuel Carrier as well as distributor or importer license).	Ethanol is not treated like gasoline. There is no tax on ethanol until it is blended or placed in the fuel supply tank of a motor vehicle. E85 is taxed at \$0.17/gallon. All other blends are taxed at \$0.24/gallon. A license is required to import ethanol blends (Liquid Fuel Carrier as well as distributor or importer license).

### **Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or "M85", and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$ .24/GGE	126.67 cubic feet or 5.66 pounds = 1 GGE
<b>E85</b>	\$ .17/gallon	Not Applicable

<b>Electric Vehicles/Electricity</b>	Not Applicable	Not Applicable
<b>Gasoline Hybrid Vehicles</b>	\$.24/gallon	Not Applicable
<b>Hydrogen</b>	Not Applicable	Not Applicable
<b>LNG (Liquefied Natural Gas)</b>	\$.26/DGE	6.06 pounds = 1 DGE
<b>LPG (Liquefied Petroleum Gas)</b>	\$.23/gallon	Not Applicable
<b>Methanol or "M85"</b>	Not Applicable	Not Applicable
<b>Other</b>	Not Applicable	Not Applicable

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
Blendstocks are not reportable or taxable until blended with a taxable fuel.		

**Section 14-How does your state handle contaminated fuel?**

Contaminated, destroyed or lost motor-vehicle fuel and special fuels are eligible for refund of motor fuel, tax per K.S.A. 79-3417, when the loss is 100 gallons or more at any one instance while such distributor is the owner and the loss was due to theft, leakage, fire, explosion, lightning, flood, storm or other cause beyond the control of the distributor.

The distributor shall notify the director in writing of such loss or destruction, the specific cause thereof, and the amount of motor-vehicle fuel or special fuel lost or destroyed, within 60 days from the date of the loss or destruction. Within 30 days after notifying the director of such loss or destruction such distributor shall file with the director an affidavit on oath, stating the full circumstances and amount of the loss or destruction along with supporting documentation such as bill of ladings, insurance claim, police report, fire report, refinery weigh ticket and any other information requested by the director.

The director shall examine all such claims and determine the amount to which the claimant is entitled.

**Section 15-Does your state allow bad debt credits?**

Kansas does not allow for bad debt credits.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Distributors Tax Return (MF-52)	25 <sup>th</sup> of the month following the period reported	25 <sup>th</sup> of the month following the period reported
Producer/Manufacturer, Blender, End Consumer Motor Fuel Tax Report (MF-54)	25 <sup>th</sup> of the month following the period reported	25 <sup>th</sup> of the month following the period reported
Motor Fuel Retailers' Informational Return (MF-90)	25 <sup>th</sup> of the month following the period reported	NA Informational return – no remittance
Motor Fuel Inventory Tax Return (MF-219)	25 <sup>th</sup> of the month following the tax increase/decrease.	25 <sup>th</sup> of the month following the tax increase/decrease.
Liquefied Petroleum Motor Fuel Tax Return (MF-202)	25 <sup>th</sup> of the month following the period reported	25 <sup>th</sup> of the month following the period reported
Petroleum Products Inspection & Environmental Assurance Fee Report (MF-7 & MF-7a)	25 <sup>th</sup> of the month following the period reported	25 <sup>th</sup> of the month following the period reported
Liquid Fuel Carrier Petroleum Products Report – Schedule of Deliveries (MF-206)	15 <sup>th</sup> of the month following the period reported	NA Informational return
Annual Renewal Mileage Permit and Decal (BT/mf6)	Due Dec 31 and Decal due to be placed on vehicle by February 28.	

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

The postmark must be on or before the due date to be considered timely.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

There is no penalty for filing the return late, however if the remittance is delinquent, penalty is charged. The cut off time for EFT payments is 4:00 pm the day prior to the due date.

Example - For an ACH debit payment the transaction would have to be initiated no later than 4:00 pm on the 24th. If the 25th is on a weekend or Holiday then the payment must be initiated by 4:00 pm the last working day prior to the 25<sup>th</sup> in order to be timely remitted.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

If the due date falls on a weekend or holiday the due date is the next working day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Distributors Tax Return (MF-52)	No penalty assessed for late filing of the return.	5% penalty and effective 12/31/2016 interest of .417% per month. Prior to that .333% interest per month. Additional interest is assessed monthly on unpaid tax liability.
Producer/Manufacturer, Blender, End Consumer Motor Fuel Tax Report (MF-54)	No penalty assessed for late filing of the return.	5% penalty and effective 12/31/2016 interest of .417% per month. Prior to that .333% interest per month. Additional interest is assessed monthly on unpaid tax liability.
Motor Fuel Retailers' Informational Return (MF-90)	No penalty assessed for late filing of the return.	NA Informational return
Liquefied Petroleum Motor Fuel Tax Return (MF-202)	No penalty assessed for late filing of the return.	5% penalty and effective 12/31/2016 interest of .417% per month. Prior to that .333% interest per month. Additional interest is assessed monthly on unpaid tax liability.
Petroleum Products Inspection & Environmental Assurance Fee Report (MF-7 & MF-7a)	No penalty assessed for late filing of the return.	5% penalty and effective 12/31/2016 interest of .417% per month. Prior to that .333% interest per month. Additional interest is assessed monthly on unpaid tax liability.
Liquid Fuel Carrier Petroleum Products Report – Schedule of Deliveries (MF-206)	No penalty assessed for late filing of the return.	NA Informational return

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E-85 is taxed at a lower rate than gasoline and other ethanol blends.

K.S.A. 79-3401. Citation of act; definitions.

(w) "E85 fuels" means an alternative fuel that is a blend of denatured ethanol and hydrocarbon that typically contains 85% ethanol by volume, but at a minimum must contain 70% ethanol by volume, and complies with ASTM specification D5798-99.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes.

K.S.A. 79-3416. Transportation of fuels; report; manifest; required statement. Every railroad, street railroad, interurban railroad or suburban railroad, every pipeline company, every common carrier, and every carrier for hire, who shall transport any liquid fuels, motor-vehicle fuels or special fuels, from any point outside of this state into this state, or between any two points in this state, or from any point in this state to any point outside this state, and every private carrier or other person who shall transport any liquid fuels, motor-vehicle fuels or special fuels from any other state into this state, or from this state into another state, or shall transport any liquid fuels, motor-vehicle fuels or special fuels exceeding 500 gallons in amount, for any distance exceeding 25 miles within this state, shall render a written report, under oath, to the director, on forms prescribed and furnished by the director, of all such transportation of liquid fuels, motor-vehicle fuels or special fuels so made to or from points within this state.

**Section 23-(Tax at the rack states or first receiver states only) How does your state handle flash title transactions?**

N/A

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Dyed diesel is subject to sales tax since it is exempt from state motor fuel tax.

The State sales tax rate is set by the legislature and depending on the location of the sale, local tax may also apply.

If motor fuel tax is refunded on motor fuel taxable products, such as gasoline or clear diesel, it becomes subject to state and local sales tax.

Sales tax is charged on value.

Kansas Retailers' Sales Tax statute

K.S.A. 79-3606. Exempt sales. The following shall be exempt from the tax imposed by this act:  
(a) All sales of motor-vehicle fuel or other articles upon which a sales or excise tax has been paid, not subject to refund, etc.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

K.A.R. 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.

Per K.S.A. 79-3403 Minimum bond amounts are;

- Distributor \$1,000.00
- Importer/Exporter \$5,000.00
- Manufacturer \$5,000.00

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Terminals are required to file terminal manifest with the state however there is no tax due.

Distributors and Importers are require to file monthly returns and tax is remitted with the return.

Retailers file a monthly return, there is no tax due unless there is a tax increase. In the case of a rate increase an inventory tax return is due and tax is owed.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Amended returns should only include the amended/additional information.

**Section 28-Does your state allow credit and rebills on the current month report?**

No, prior period credit and rebills would not be allowed on a current return.

**Section 29-How many days are allowed to report late loads?**

Late loads from a previous month would be subject to review. They may possibly be allowed for the last 5 days of the prior month, otherwise, an amended return would be required.

# STATE OF KENTUCKY

## Section 1-Contact Information

**Agency:** Department of Revenue

**Name:** Latonia Fields

**Street Address:** 501 High Street

**City, State Zip Code:** Frankfort, KY 40601

**Phone Number:** 502-564-2087

**Fax Number:** 502-564-2906

**E-mail Address:** Latonia.Fields@ky.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Statutes: Motor Fuels - KRS 138.210 through 448, 502, and 990 through 992. Liquefied Petroleum – KRS 234.310 through 440 and 990. Petroleum Environmental Assurance Fee – KRS 224.60-145. Regulations: 103 KAR Chapter 43

## Section 3-State Point of Taxation

**Gasoline:** Kentucky Revised Statute (KRS) 138.224

**Diesel:** Same statute as Gasoline

**Aviation Fuel:** Taxed as Gasoline

**Jet Fuel:** Exempt under KRS 138.210(18)

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver:-

Point of Taxation: Distributor per KRS 138:220.

## **Section 5-State Tax Rates**

**Gasoline:** Effective July 1, 2016 through June 30, 2018, Gasoline's tax rate is \$0.246 per gallon.

**Diesel:** Effective July 1, 2016 through June 30, 2018, Special Fuel's tax rate is \$0.216 per gallon.

**Aviation Fuel:** Same rate as Gasoline

**Jet Fuel:** Not subject to the Motor Fuels Tax, but subject to the 6% Sales Tax.

## **Section 6-Rate Updates**

**Please list any rate updates for your state:**

Motor Fuel Tax Rates are adjusted on an annual basis based on an average of the quarterly average wholesale price (AWP) calculations for the previous fiscal year.

## **Section 7-State Collection Allowance**

Dealers Compensation is 2.25% per gasoline and special fuel return when filed and paid timely. It covers evaporation, shrinkage, unaccountable losses, collection costs, bad debts, and handling and reporting the tax.

## **Section 8-State Diversion Requirements**

**Diversion Required** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

FuelTrac

**What products are subject to the diversion requirement?**

None

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Licensed Dealer who diverts the fuel.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** Surrounding Rack Tax States have quit requiring the Supplier/Distributor to rebill, so is not an *issue*.

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

### **State Incentives**

#### **Alternative Fuel Production Tax Incentive Refund**

The Kentucky Economic Development and Finance Authority (KEDFA) provides a tax refund of up to 100% of the state sales tax paid on the purchase of personal property used to construct, retrofit, or upgrade an alternative fuel production or gasification facility. Additionally, the KEDFA provides a credit of up to 100% of the income tax and limited liability entity tax that would otherwise be owed by a company for an alternative fuel production or gasification facility that uses biomass as the primary feedstock. The incentives apply to property purchased on or after January 1, 2008, and expire upon the completion of the project, or five years from the date on which the company begins receiving the incentive, whichever is first. Producers may recover up to 50% of their capital investment in tax incentives. The minimum capital investment for incentive eligibility is \$25 million for an alternative fuel or gasification facility that uses biomass as the primary feedstock and \$100 million for a facility that uses coal as the primary feedstock. KEDFA may distribute the sales tax incentive before the minimum capital investment is made. (Reference Special Session [House Bill 1](#), 2007)

#### **Alternative Fuel Job Creation Wage Assessment**

The Kentucky Economic Development and Finance Authority (KEDFA) allows approved companies to require that employees, as a condition of employment, whose job was created as the result of a construction, retrofit, upgrade, or operation of an alternative fuel production or gasification facility to agree to pay a wage assessment of up to 4% of their gross wages to the company. Employees will be allowed a state income tax credit equal to the assessment withheld from their wages. The minimum capital investment for incentive eligibility is \$25 million for an alternative fuel or gasification facility that uses biomass as the primary feedstock and \$100 million for a facility that uses coal as the primary feedstock. KEDFA may allow advanced disbursement of a portion of the wage assessment value before the minimum capital investment is made. (Reference Special Session [House Bill 1](#), 2007)

#### **Alternative Fuel Research and Development**

The Kentucky Alternative Fuel and Renewable Energy Fund Program provides funding to Kentucky-based companies for research, development, and commercialization of alternative fuels and renewable energy. The Program will focus on providing support to research and development projects that lead to innovative technology, new knowledge, commercially successful products or services, or show significant potential to stimulate economic development and employment growth in the state. Up to \$5 million may be awarded to eligible projects. (Reference Special Session [House Bill 1](#), 2007)

**Alternative Fuel Production Tax Credit**

An income tax credit is available for biofuels producers of \$1.00 per gallon of pure biodiesel, corn-based ethanol, or cellulosic-based ethanol. The total amount of credit for all ethanol or biodiesel producers may not exceed the annual ethanol or biodiesel tax credit cap established in KRS 141.422. Unused credits may not be carried forward and applied to a future tax return. However, unused ethanol credits from one ethanol-based cap (corn or cellulosic) may be applied to another ethanol-based cap in the same taxable year. For the purpose of this credit, biodiesel must meet American Society for Testing and Materials (ASTM) specification D6751, and ethanol must meet ASTM standard D4806. (Reference Special Session [House Bill 1](#), 2007, and [Kentucky Revised Statutes](#) 141.422 to 141.425)

**Alternative Fuel and Vehicle Promotion**

The [Kentucky Division of Renewable Energy and Energy Efficiency](#) provides information on a range of alternative fuels, demonstration projects, and promotes networks of people working with alternative fuels. It has implemented a number of projects to support alternative fuel vehicles and establish an alternative fuel refueling infrastructure.

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
Taxable as a Special Fuel.	Biodiesel is subject to the Special Fuel’s Tax.	Subject to the Petroleum Environmental Assurance Fee when subject to the special fuel tax	Taxable at the Gasoline tax rate when blended with gasoline or used wholly on the road.	Subject to Gasoline Tax rate when blended or used wholly on the road.	Subject to the Petroleum Environmental Assurance Fee when subject to the gasoline tax

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
All biodiesel fuel meets Kentucky’s definition of a Special Fuel and is subject to the Special Fuel’s Tax.	Ethanol is not taxed until blended with gasoline or used wholly on the road, then it is subject to the Gasoline Tax.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed</b>	Taxed as Special Fuel	5.66 lbs. or 126.67 cu ft equals

<b>Natural Gas)</b>		one (1) gallon
<b>E85</b>	Taxed as Gasoline	Not Applicable
<b>Electric Vehicles/Electricity</b>	Not Applicable	Not Applicable
<b>Gasoline Hybrid Vehicles</b>	Taxed on gasoline used.	Not Applicable
<b>Hydrogen</b>	Taxed as Special Fuel	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Taxed as Special Fuel	6.06 lbs. equals one (1) gal.
<b>LPG (Liquefied Petroleum Gas)</b>	Taxed at the same rate as Gasoline when used on road.	Not Applicable
<b>Methanol or “M85”</b>	Taxed at the same rate as Gasoline if blended or used wholly as a motor fuel.	Not Applicable
<b>Other</b>	Taxed as either gasoline or special fuels depending on which definition it comes under per KRS 138.210.	Not Applicable

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
Anything blended with gasoline	Gasoline tax rate	Yes when blended with gasoline or used wholly as a motor fuel is subject to tax.
Anything blended with special fuel	Special Fuel tax rate	Yes when blended with a special fuel or used wholly as a motor fuel is subject to tax.

**Section 14-How does your state handle contaminated fuel?**

If contaminated fuel is sold, it is handled like the fuel type and either taxed or exempted per the fuel type statutes. Non-saleable situations are handled as a fuel loss using form [Statement of Claim for Accountable Loss of Motor Fuel - Form 72A078](#) .

**Section 15-Does your state allow bad debt credits?**

Bad debt is covered under dealer’s compensation as part of KRS 138.270(1)(b).

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Licensed Gasoline Dealer's Monthly Report, Licensed Special Fuel's Dealer's Monthly Report, Monthly Report Liquefied Petroleum Gas Dealer, Terminal Operators Report, and the Petroleum Environmental Assurance Fee Monthly Report.	25 <sup>th</sup> of the month following the end date of the period	Due same day as the report

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Yes

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Returns must be filed no later than 11:59 pm Eastern Time on the due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

They are due the next business day following the weekend or holiday.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Any report filed late	2% of tax due for each 30 days that the report is late. Total penalty shall not exceed 20% of the total tax due, but not less than ten dollars (\$10).	2% of tax due for each 30 days that the report is late. Total penalty shall not exceed 20% of the total tax due, but not less than ten dollars (\$10).
Failure to file any report	5% of the tax assessed for each 30 days or fraction thereof that the report is not filed. Total penalty shall not exceed 50% of the tax assessed, but not less than twenty-five dollars (\$25).	

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Ethanol blended with gasoline is required to be reported as gasoline. All ethanol/gasoline blend percentages whether 1% up to 99% are required to be reported on the gasoline dealer's report.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Kentucky does require transporter returns of third party haulers. Transporters of tax unpaid gasoline or special fuels, other than by a licensed gasoline or special fuel dealer, is required to be licensed under KRS 138.310.

**Section 23-(Tax at the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Sales tax is imposed on motor fuel sold without the imposition of the motor fuels tax. It is calculated at six (6) percent of the purchase price.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Kentucky requires a financial instrument based on three months' liability. Financial instruments are singly or in combination either a surety bond, a letter of credit, or a compensating balance with a financial institution. Statutory references are KRS 138.210(10) and 138.330.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Kentucky does not have a hierarchy of licenses. All licensees are responsible for remittance of tax due to the Commonwealth except for the Transporter's License. (Third party transporters have our transporter's licenses and do not have an ownership position with the fuel.)

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Current business processes require that dealers amend only the information that is changing.

**Section 28-Does your state allow credit and rebills on the current month report?**

Kentucky does not allow out of period reporting. Dealers issuing credits and rebills on prior period bill of ladings will need to amend that period's return.

**Section 29-How many days are allowed to report late loads?**

There is no allowance for late load reporting. All late loads are subject to the tax due for the period when shipment occurred, the interest due, and any applicable penalties for late payment.

# STATE OF LOUISIANA

## Section 1-Contact Information

**Agency:** Louisiana Department of Revenue  
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**City, State Zip Code:** Baton Rouge, LA 70802  
**Phone Number:** (225) 219-2780  
**Fax Number:** (225) 219-2759  
**E-mail Address:** shirley.bonaccorso@la.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Louisiana Revised Statutes 47:818.1 - 818.132  
Louisiana Administrative Code 61:I.3101 - 3501

## Section 3-State Point of Taxation

**Gasoline:** Terminal  
**Diesel:** Terminal  
**Aviation Fuel:** Not taxed if used for aviation purposes; otherwise at time sold/used for taxable purpose  
**Jet Fuel:** Not taxed if used for aviation purposes; otherwise at time sold/used for taxable purpose

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

Point of Taxation: “Point of imposition of tax” found at LA RS 47:818.13

## Section 5-State Tax Rates

**Gasoline:** \$0.20 per gallon  
**Diesel:** \$0.20 per gallon  
**Aviation Fuel:** Exempt if used for aviation; otherwise \$0.20 per gallon  
**Jet Fuel:** Exempt if used for aviation; otherwise \$0.20 per gallon

## **Section 6-Rate Updates**

**Please list any rate updates for your state:**

None so far for 2017

## **Section 7-State Collection Allowance**

LA RS 47:818.22 – suppliers/permissive suppliers allowed one-half percent of the tax due on gasoline and diesel fuels, as defined, for timely filing and paying; allowance not deductible unless the supplier/ permissive supplier allows a deduction of one-third of one percent to a valid licensed distributor or importer [Effective July 1, 2015, per Acts 2015, No. 147]

## **Section 8-State Diversion Requirements**

**Diversion Required:** Reporting a diversion – Yes – [LA RS 47:818.48]

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number:** LA RS 47:818.48(A)

**What diversion registry program do you use?** National Fuel Diversion Registry

**What products are subject to the diversion requirement?** Gasoline and diesel fuels as defined in statute

**Diversion Requirements:** See LA RS 47:818.48

**What party should apply for the refund if applicable? (Supplier, customer, etc)**  
Licensee ordering the diversion

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes - however, seldom done

**Any Additional Comments?**

The licensee ordering the diversion is responsible for paying the applicable destination state taxes along with filing a claim for refund with the origin state or the original destination state whose taxes have been collected.

## **Section 9-Alternative Fuels Incentives and Laws**

Louisiana has at least 2 areas that are part of the Clean Cities Coalition:

Greater Baton Rouge Clean Cities Coalition ([www.gbrccc.org](http://www.gbrccc.org)).

Southeast Louisiana Clean Fuel Partnership ([www.cleanfuelpartnership.org](http://www.cleanfuelpartnership.org))

Also see: [www.afdc.energy.gov/afdc/laws/poc/LA](http://www.afdc.energy.gov/afdc/laws/poc/LA)

**State Incentives:**

**Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Tax Credit:** Acts 2009, No. 469 repealed R.S. 47:38 and 287.757 and enacted R.S. 47:6035 dealing with alternative fuel vehicles. According to statute, any person or corporation purchasing qualified clean-burning motor vehicle fuel property shall be allowed a credit against their income tax liability. The credit shall be allowed against individual or corporate income tax for the taxable period in which the property is purchased and installed, if applicable. "Qualified clean-burning motor vehicle fuel property" is defined as equipment necessary for a motor vehicle to operate on an alternative fuel and shall not include equipment necessary for operation of a motor vehicle on gasoline or diesel.

**Biodiesel Equipment and Fuel Tax Exemption:** Certain property and equipment used to manufacture, produce, or extract unblended biodiesel, as well as unblended biodiesel used as fuel by a registered manufacturer, are exempt from state sales and use taxes. Unblended biodiesel is defined as B100 which meets the American Society of Testing and Materials (ASTM) standard D6751. These provisions expired June 30, 2012. (Reference LA RS 47:301(7)(j) and (10)(y)(i)).

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.20 per gallon	Taxable same as diesel	Subject to the Inspection Fee of \$0.00125 per gallon	\$0.20 per gallon	Taxable same as gasoline	Subject to the Inspection Fee of \$0.00125 per gallon

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated same as diesel - \$0.20 per gallon.	Ethanol is treated same as gasoline - \$0.20 per gallon.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or "M85", and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Taxable when used as a vehicle fuel – \$.20 per GGE	<b>GGE = 5.660 pounds</b>
<b>E85</b>	Taxed same a gasoline - \$.20 per gallon	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	No	<b>Not Applicable</b>

<b>Gasoline Hybrid Vehicles</b>	Gasoline used as fuel - \$.20 per gallon	<b>Not Applicable</b>
<b>Hydrogen</b>	No	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Taxable when used as a vehicle fuel – \$.20 per DGE	<b>DGE = 6.060 pounds</b>
<b>LPG (Liquefied Petroleum Gas)</b>	Taxable when used as a vehicle fuel – \$.146 per GGE	<b>GGE = 73% of rate</b>
<b>Methanol or “M85”</b>	Taxable when used as a road vehicle fuel - \$.20 per gallon	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

According to the Louisiana Liquefied Petroleum Gas Commission, CNG, LNG, and LPG dispensed at retail outlets for vehicle fuel are dispensed in gallons based on gasoline gallon equivalent. The fuel tax on the use of these fuels changed from decals to gallon equivalents taxed at pump effective January 1, 2016.

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
See list at IRS Reg. 48.4801-1(c)(3)*	\$.20 per gallon	Yes

\*Per LA RS 47:818.2(33)

**Section 14-How does your state handle contaminated fuel?**

No statutory provisions addressing contaminated fuel.

**Section 15-Does your state allow bad debt credits?**

Yes. LA RS 47:818.22(C) provides:

\* \* \*

C.(1) A supplier or permissive supplier may take a credit for any taxes that were not remitted in a previous period to the supplier or permissive supplier by a licensed distributor or licensed importer as required by R.S. 47:818.20. The supplier or permissive supplier is eligible to take the credit if the secretary is notified of the default within thirty days after the default occurs. If a license holder pays to a supplier or permissive supplier the tax owed, but the payment occurs after the supplier or permissive supplier has taken a credit on its return, the supplier or permissive supplier shall remit the payment to the secretary with the next monthly return after receipt of the tax.

(2) In the event that the credit to the supplier originates out of a failure to pay a destination state motor fuel tax on shipments removed for export under R.S. 47:818.14(C), the presumption as set forth in R.S. 47:818.11 shall be raised that the fuel was removed for use in this state and thus taxable. The secretary shall seek payment of

the tax in a dual capacity both to protect the interests of this state and as the base state from which the shipment originated to assist the destination state in the reporting or collection of tax due upon the receipt of the fuel into that state.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Supplier/Permissive Supplier Monthly Return	22 <sup>nd</sup> day of month following period reported	22 <sup>nd</sup> day of month following period reported
Distributor/Exporter/Blender Monthly Return	20 <sup>th</sup> day of month following period reported	20 <sup>th</sup> day of month following period reported
Importer Monthly Return	15 <sup>th</sup> day of month following period reported	15 <sup>th</sup> day of month following period reported

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

For returns mailed, postmark date is considered in determining timely filing. If delivery is by a courier or taxpayer, the date delivered is used.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

For returns submitted electronically, the return is considered filed on the date transmitted. Electronic payments are deemed paid on the date the transmitted funds are posted to the State’s account. Currently, motor fuel returns cannot be filed electronically, only payments are accepted electronically.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

When due dates fall on a weekend or holiday, the filing is considered timely if filed on the next business day. Electronic payments must be transferred in such a manner as to be posted by the next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Supplier/Permissive Supplier Monthly Return	5% of amount due for each 30 days, or fraction thereof, from date due until filed, not to exceed 25%	5% of amount due for each 30 days, or fraction thereof, from date due until filed, not to exceed 25% plus interest accrues from date due until paid at .5833% per month

Distributor/Exporter/Blender Monthly Return	5% of amount due for each 30 days, or fraction thereof, from date due until filed, not to exceed 25%	5% of amount due for each 30 days, or fraction thereof, from date due until filed, not to exceed 25% plus interest accrues from date due until paid at .5833% per month
Importer Monthly Return	5% of amount due for each 30 days, or fraction thereof, from date due until filed, not to exceed 25%	5% of amount due for each 30 days, or fraction thereof, from date due until filed, not to exceed 25% plus interest accrues from date due until paid at .5833% per month

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is treated in the same manner as gasoline fuels.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes. Any person who transports by marine vessel, railroad tank car, or transport vehicle. (LA RS 47:818.31)

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

No sales tax on fuel that is subject to the excise tax per state's Constitution.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Per LA RS 47:818.40:

Terminal Operator

Minimum of \$1,000,000 or an amount equal to 3 months tax liability, whichever is greater

Supplier/Permissive Supplier

Minimum of \$50,000 or amount equal to 3 months tax liability, whichever is greater

Distributor	Minimum of \$20,000 or an amount equal to 3 months tax liability, whichever is greater
Importer	Minimum of \$20,000 or an amount equal to 3 months tax liability, whichever is greater
Exporter	Minimum of \$20,000 or an amount equal to 3 months tax liability, whichever is greater
Blender	Minimum of \$20,000 or an amount equal to 3 months tax liability, whichever is greater
Interstate Motor Fuel User	Minimum of \$20,000 or an amount equal to 3 months tax liability, whichever is greater
Motor Fuel Transporter	No bond required
Aviation Fuel Dealer	No bond required

Per LA RS 47:818.117 for Special Fuels CNG, LNG, LPG:

Special Fuels Dealer	Minimum of \$50,000 or amount equal to 3 months tax liability, whichever is greater
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**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Supplier/Permissive Suppliers have primary responsibility of remitting the tax on product removed at the rack. Importers are responsible for remitting tax on untaxed product imported into Louisiana from a source other than a registered with Louisiana as a Permissive Supplier. Blenders are liable for remitting tax on additional motor fuel resulting from blending taxed and untaxed products. Statute also provides for the payment of a back-up tax by any party in possession of untaxed product that is being used for a taxable purpose.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Entire return must be amended.

**Section 28-Does your state allow credit and rebills on the current month report?**

Credit and rebills must be reported in the month in which the product was removed from the bulk transfer system or imported.

**Section 29-How many days are allowed to report late loads?**

Loads are reported in the month in which the product was removed from the bulk transfer system or imported.

# STATE OF MAINE

## Section 1-Contact Information

**Agency:** Maine Revenue Services

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**City, State Zip Code:** Augusta ME 04332-1060

**Phone Number:** (207) 624-9608

**Fax Number:** (207) 287-6628

**E-mail Address:** sara.j.lewis@maine.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Maine Revised Statutes Title 36, Part 5

## Section 3-State Point of Taxation

**Gasoline:** Motor fuel is taxable to the ultimate consumer, but the final distributor is primarily responsible for paying tax to the State.

**Diesel:** See above

**Aviation Fuel:** See above

**Jet Fuel:** See above

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver: See Section 3.

Point of Taxation: See Section 3.

### **Section 5-State Tax Rates**

**Gasoline:** \$0.300

**Diesel:** \$0.312

**Aviation Fuel:** \$0.300

**Jet Fuel:** \$0.034

### **Section 6-Rate Updates**

**Please list any rate updates for your state:** The tax rates for both Gasoline and Special Fuels are *no longer* indexed annually for inflation. Updated rates must be proposed and approved by the legislature. There have been no recent updates.

### **Section 7-State Collection Allowance**

None

### **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statutory and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

**What products are subject to the diversion requirement?**

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**  
Yes.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**Any Additional Comments?**

## Section 9-Alternative Fuels Incentives and Laws

### **Biofuel Production Incentive**

The Biofuel Production Credit is repealed for income tax years beginning after 2015.

### **Alternative Fuel Tax**

The State Highway tax for each special fuel used in transportation is based on each fuel's energy content relative to gasoline. Effective July 1, 2009, the full gasoline excise tax rate is imposed on internal combustion engine fuel if the blended fuel contains at least 10% gasoline by volume.

Effective July 1, 2009, the full diesel excise tax rate is imposed on biodiesel fuels that contain less than 90% biodiesel fuel by volume. The following rates are currently in effect. Ethanol (E85) is taxed at a rate of \$0.300 per gallon, propane (LPG) at \$0.219 per gallon, compressed natural gas (CNG) at \$0.243 per 100 standard cubic feet. Gasoline is taxed at a rate of \$0.300 per gallon and diesel is \$0.312 per gallon. (Title 36, Section 3203)

## Section 10-Taxability & Tax Rates for Biodiesel and Ethanol

<b>Biodiesel</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
<b>B90-B00</b>					
B99-B00	\$.287/gallon	None	E00	\$.198/gallon	None
B95-B98	\$.288/gallon		E99	\$.199/gallon	
			E98	\$.200/gallon	
B91-B94	\$.289/gallon		E97	\$.201/gallon	
			E96	\$.202/gallon	
			E95	\$.203/gallon	
B90	\$.290/gallon		E94	\$.204/gallon	
			E93	\$.205/gallon	
			E92	\$.206/gallon	
			E91	\$.207/gallon	

## Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel

<b>Biodiesel</b>	<b>Ethanol</b>
Same rate chart as above, as biodiesel blends from B90 – B00 are taxed at a reduced rate. B01-B89 are taxed at \$.312/gallon, the full diesel rate.	Same rate chart as above, as ethanol/gasoline blends from E91 – E00 are at taxed at a reduced rate. E01-E90 are taxed at \$.300/gallon, the full gasoline rate.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Taxable at .243	Per 100 cubic feet
<b>E85</b>	Taxable at .300	Not Applicable
<b>Electric Vehicles/Electricity</b>	Not taxed as motor fuel	
<b>Gasoline Hybrid Vehicles</b>	Gasoline tax rates	Not Applicable
<b>Hydrogen</b>	Taxable at .070	Per 100 cubic feet
<b>LNG (Liquefied Natural Gas)</b>	Taxable at .178	Per gallon
<b>LPG (Liquefied Petroleum Gas)</b>	Taxable at .219	Per gallon
<b>Methanol or “M85”</b>	Taxable at .300 if at least 10% gasoline by volume	85%*.147(Methanol rate) + 15% of other fuel
<b>Other</b>		Not Applicable

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

**Section 14-How does your state handle contaminated fuel?**

Clear fuel that is contaminated by dyed diesel is claimed on line 18a of the special fuel supplier return.

**Section 15-Does your state allow bad debt credits?**

Yes.

36 MRS-A §2906-A provides a refund to a retail dealer for a portion of the tax paid to a distributor or importer, which tax shall be reported and paid to the State Tax Assessor by the distributor or importer pursuant to section 2906. The portion of the tax for which there is a refund entitlement is represented by tax paid on accounts of the retailer found to be worthless

and actually charged off by the retailer, but if any such accounts are thereafter collected by the retailer, the tax recovered shall be paid within 30 days of recovery directly by the retailer to the State Tax Assessor.

36 MRSA §3214 allows a credit for tax paid on worthless accounts for the tax paid on sales made on credit and reported by a licensed supplier, wholesaler or retailer pursuant to section 3209 that are found to be worthless and actually charged off. The amount may be credited upon the tax due on a subsequent return. If those accounts are subsequently collected by the licensed supplier, wholesaler or retailer, a tax must be paid upon the amounts so collected. The credit must be reported on the return for the month in which the charge-off occurred.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Gasoline Distributor	21 <sup>st</sup> of following month	Same as report
Special Fuel Supplier	Last day of following month	Same as report

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

36 MRSA §153 states, in part: If any document or payment required or permitted by the Title to be filed or paid is transmitted by the United States Postal Service, the date of the postmark stamped on the envelope is deemed to be date as the filing or payment.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Any time prior to midnight on the due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

36 MRSA §153.2 states that when the last day falls on a Saturday, Sunday, or legal holiday, the due date is the next regular business day.

**Section 20-What are your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
ALL	Title 36 §187-B.1. A, B, C	Title 36 §187-B.2.A,A-1,B

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is taxed as regular gasoline, as long as it contains at least 10% gasoline by volume. Each blend is rounded to the nearest percent, and only that which is E85 is considered E85.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

No.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Sales tax is imposed on dyed diesel based on the sales price to the purchaser. The rate is only changed through legislation. Historical rates are:

<i>Year</i>	<i>Sales Tax Rate:</i>
1957	3%
1963	4%
1967	4.5%
1969	5%
1991	6%
1998	5.5%
2000	5%
Oct. 1, 2013	5.5%

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

None

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Maine distributors and suppliers hold either a licensed or registered certificate. Licensed certificate holders may both buy and sell motor fuel Maine excise tax exempt. Registered

certificate holders may only buy and sell motor fuel Maine excise tax included. The distributor or supplier that first receives the fuel in Maine is primarily responsible for remitting the tax. The two exceptions in the statute are when the fuel is sold to a licensed exporter wholly for exportation or to another licensed distributor or supplier. When the fuel is sold to another licensed distributor or supplier, the final purchasing distributor or supplier is primarily responsible for the tax.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

The entire return must be amended. Any schedule lines on the return that are amended require an amended electronic schedule. A brief note explaining why the return is being amended is also required.

**Section 28-Does your state allow credit and rebills on the current month report?**

Maine allows credits and rebills in current periods.

**Section 29-How many days are allowed to report late loads?**

All motor fuel loads must be reported within the statutory time limit for the motor fuel returns: The 21<sup>st</sup> of the following month for gasoline distributors and the end of the following month for special fuel suppliers.

# STATE OF MARYLAND

## Section 1-Contact Information

**Agency:** Comptroller of Maryland

**Name:** Chuck Ulm

**Street Address:** 80 Calvert Street

**City, State Zip Code:** Annapolis, MD 21401

**Phone Number:** (410)260-7278

**Fax Number:** (410)974-5564

**E-mail Address:** culm@comp.state.md.us

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Tax General Article Title 9 (Fuel Taxes) and Title 13 (Procedure); Business Regulation Title 10 (Motor Fuel and Lubricants)

## Section 3-State Point of Taxation

**Gasoline:** First import or First sale(TG 9-314)

**Diesel:** Distributor level (TG 9-314)

**Aviation Fuel:** Aviation Gasoline- First Import or First sale(TG-314)

**Jet Fuel:** Turbine Fuel- Distributor level (TG 9-314)

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-: first sale or first import

Point of Taxation: (TG 9-314)

## **Section 5-State Tax Rates**

**Gasoline:** .3380/gallon (effective 7/1/17)

**Diesel:** .3455/gallon (effective 7/1/17)

**Aviation Fuel:** .07/gallon

**Jet Fuel:** .07/gallon

## **Section 6-Rate Updates**

**Please list any rate updates for your state:** New motor fuel tax rates effective July 1, 2017 included in earlier section. The Transportation Infrastructure Investment Act of 2013 indexes the motor fuel tax rates (except aviation fuel) to the annual change in the CPI.

## **Section 7-State Collection Allowance**

See TG 9-315 for specific authorizations

## **Section 8-State Diversion Requirements**

**Diversion Required** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.** COMAR 03.03.03.05

**What diversion registry program do you use?** Fueltrac.us(Trac3)

**What products are subject to the diversion requirement?** All taxable motor fuel

**Diversion Requirements** Driver must note Diversion Number on BOL prior to crossing jurisdictional border

**What party should apply for the refund if applicable? (Supplier, customer, etc)** Shipper(title holder of product after loading)

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** Must be licensed to Import or Export and report accordingly. No refund would be needed.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

Lots of product coming from Virginia into Maryland and then getting diverted back to Virginia. Requires amended tax returns for any late loads. State advised it's the party that diverts the product that is responsible to file amended returns.

## **Section 9-Alternative Fuels Incentives and Laws**

Maryland is the proud home of the Maryland Clean Cities Coalition ([www.energy.state.md.us/programs/transportation/index.html](http://www.energy.state.md.us/programs/transportation/index.html)). Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

#### **Biofuels Production Credits**

Under the Renewable Fuels Promotion Act of 2005, ethanol and biodiesel producers may apply to the Renewable Fuels Incentive Board for ethanol and biodiesel production credits. To be eligible for the credits, the producer must first apply to the Board and receive certification as a producer. Credits may be offered to certified producers of ethanol or biodiesel in Maryland for ethanol or biodiesel produced on or after December 31, 2007. The Board may not pay a credit for ethanol or biodiesel produced after December 31, 2017.

Ethanol production credits are as follows: a) \$0.20 per gallon of ethanol produced from small grains such as wheat, rye, triticale, oats, and hulled or hull-less barley; and b) \$0.05 per gallon of ethanol produced from other agricultural products. The Board may not certify ethanol production credits for more than a total of 15 million gallons per calendar year, of which at least 10 million gallons must be produced from small grains.

Biodiesel production credits are as follows: a) \$0.20 per gallon of biodiesel produced from soybean oil (the soybean oil must be produced in a facility or through expanded capacity of a facility that began operating after December 31, 2004), and b) \$0.05 per gallon for biodiesel produced from other feedstocks (including soybean oil produced in a facility that began operating on or before December 31, 2004). The Board may not certify biodiesel production credits for more than a total of five million gallons per calendar year, of which at least two million gallons must be from soybean oil produced in a facility as described in section a) above. (Reference [Maryland Statutes](#), Agriculture Code 10-1501 through 10-1507)

#### **Hybrid Electric Vehicle (HEV) Exemption from Vehicle Testing Requirements**

Qualified HEVs and zero-emission vehicles are exempt from certain mandatory motor vehicle emissions and inspection testing requirements for the first three years after the vehicle is originally registered in the state, if the vehicle obtains a rating from the U.S. Environmental Protection Agency of at least 50 miles per gallon during city fuel economy tests. A qualified HEV must meet the current vehicle exhaust standard set under the federal Tier 2 program gasoline-powered passenger cars, and can draw propulsion energy from both of the following on-board sources of stored energy: 1) gasoline or diesel fuel; and 2) a rechargeable energy storage system. This exemption expires September 30, 2012. (Reference [Senate Bill](#) 103, 2007, and [Maryland Statutes](#), Transportation Code 13-815 and 23-206.3 through 206.4)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.3455/gallon	B100 is taxable	Subject to the Oil Spill Fee	\$0.3380/gallon	Ethanol is taxable	Subject to the Oil Spill Fee

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. Currently, the tax rate is \$0.3455/gallon. Note that Maryland also refers to all biodiesel and biodiesel blends simply as diesel. It is possible to import tax-free provided LDC holds a special fuel tax exemption certificate and is licensed as a special fuel seller or user.	Ethanol is treated like gasoline. Dealer Class License required. The current rate is \$0.3380/gallon. The tax is due when the product is imported and there are no provisions for tax free sales to licensed distributors.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	yes	<b>1 cubic foot multiplied by .00831 = 1 gallon of liquid</b>
<b>E85</b>	yes	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	no	
<b>Gasoline Hybrid Vehicles</b>	yes	<b>Not Applicable</b>
<b>Hydrogen</b>	yes	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	yes	<b>100 cubic feet at 14.73 psi and 60 deg F = 1 gallon of liquid</b>
<b>LPG (Liquefied Petroleum Gas)</b>	yes	<b>Decitherms-divide by 9.1</b>  <b>Pounds-divide by 4.24</b>
<b>Methanol or “M85”</b>	yes	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable
<b>If the blendstock is not a motor fuel, no tax or reporting is required except in specific authorized gasoline additive introductions</b>	.3380/gallon	yes

**Section 14-How does your state handle contaminated fuel?**

Contaminated product may not be imported, exported, or moved without written approval of the Comptroller. Credit for sludge removed also requires proper documentation. See COMAR 03.03.01.11 for further information.

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due date of Payment
Dealer	By delivery, on or before the last day of the next month; by mail postmarked at least 2 days before the last day of the next month	Paid with the return that covers the period in which the person received, sold, or used the motor fuel
Special Fuel Seller/User	Same as above	Same as above
Turbine Fuel Seller	Same as above	Same as above

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Explanation in Section 15

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

11:59 PM the evening of the date it is due

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Both are due on the next business day following the original due date

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Dealer	\$25	Not exceeding 10% of the unpaid tax
Special Fuel Seller/User	Same as above	Same as above
Turbine Fuel Seller	Same as above	Same as above

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is an automotive fuel blend of gasoline and 51 to 83 percent volume ethanol, and is considered gasoline.

**Section 2-Does your state require transporter returns and if so, who is required to report?**

A petroleum transporter that acts solely as a common carrier (never holds title to product) must file a monthly report. Also, a licensed dealer, seller, or distributor who also acts as a common or contract carrier must file a report on those movements.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

Maryland does not recognize flash title transactions; all involved parties must be licensed.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

The general rule is that if the motor fuel tax is not charged, then the sales tax applies, so sales tax is applicable on dyed diesel (unless exempted). The rate is established by the General Assembly, so the change frequency is unknown. Sales tax is imposed on the dollar value.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

An annual acceptable motor fuel tax security is generally required to secure payment of tax, interest, and penalty that may become due. The security amounts range from \$1,000 to

\$1,000,000 depending upon the class of license(s) and product volume. Although a bond is the predominate form, cash and/or approved marketable securities can be accepted in lieu of a bond.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Class A Gasoline Dealer – refiner, collects tax from Class B Dealer and Class W Distributor and remits to the State

Class B Gasoline Dealer – pays tax to supplier for in-state purchases, remits tax to State upon first import

Class C Gasoline Dealer – out-of-state entity with no business in Maryland, authorized to purchase tax free product for immediate export

Class D Gasoline Dealer – can purchase tax free from Class A or Class D, collects and remits tax to the State

Class G Gasoline Dealer – tax free government sales

Class W Distributor – tax paid purchase only, tax paid to supplier

Class F Seller – turbine fuel seller, collects and remits tax to the State

Class S Seller – special fuel seller, collects and remits tax to the State

Class U User – special fuel user, remits tax to the State

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

The entire return must be amended reflecting the changes to the information on both the returns schedules and worksheet.

**Section 28-Does your state allow credit and rebills on the current month report?**

Credit and rebills are allowed in the State of Maryland. Credit and rebills to prior reported sales which effect a change in tax liability require an amended return to be filed. In addition, a Schedule 12 must also be used on taxpayer's current month's return to remitted or received credit for changes in tax liability created from the rebills.

Credit and rebills occurring with the same month does not require a Schedule 12 filing or an amended return filing.

### **Section 29-How many days are allowed to report late loads?**

No statute exists for the number of days for late load reporting. Sales transactions are to be reported in the month in which they occur. Interest will be assessed on late sales reporting from the month in which the tax was due until the month in which the tax was received.

## STATE OF MASSACHUSETTS

### Section 1-Contact Information

**Agency:** Massachusetts Department of Revenue  
**Name:** Cynthia Burns, Miscellaneous Excise Audit  
**Street Address:** 436 Dwight Street  
**City, State Zip Code;** Springfield, MA 01103  
**Phone Number:** 413 452-4904  
**Fax Number:** 617 660-0644  
**E-mail Address:** burnsc@dor.state.ma.us

### Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Gasoline and Av Gas: MGL, Ch. 64A  
<http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter64A>

Jet Fuel: MGL, Ch. 64J  
<http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter64J>

Spec Fuels: MGL, Ch. 64E  
<http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter64E>

IFTA : MGL, Ch. 64F  
<http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter64F>

Regulations for Miscellaneous Excises:  
<http://www.mass.gov/dor/businesses/help-and-resources/legal-library/regulations/64a-64c-64e-64f-64g-64j-94e-270-misc-excises/>

### Section 3-State Point of Taxation

**Gasoline:** Wholesale: Licensed Distributors and Importers  
**Diesel:** Wholesale: Licensed Suppliers

**Aviation Fuel:** Wholesale: Licensed Gasoline Distributors and Importers

**Jet Fuel:** Wholesale: Licensed Jet Fuel Suppliers

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

We do not use federal terminology. See above.

**Section 5-State Tax Rates**

<http://www.mass.gov/dor/docs/dor/business/taxguide/fuels/fuelsratecurr.pdf>

**Gasoline:** 24 cents per gallon - fixed

**Diesel:** 24 cents per gallon - fixed

**Aviation Fuel:** set quarterly

**Jet Fuel:** set quarterly

**Propane and other liquified gases** set quarterly

**Section 6-Rate Updates**

**Please list any rate updates for your state:** See Section 4.

Current fuel rates available on website:

<http://www.mass.gov/dor/docs/dor/business/taxguide/fuels/fuelsratecurr.pdf>

**Section 7-State Collection Allowance**

None

**Section 8-State Diversion Requirements**

**Diversion Required:** No. Our taxation is solely below the rack. All fuel dispensed from inventory must be characterized as taxable or non-taxable. If subsequent events change that characterization or in any other way affect the tax due, the licensee must file an amended return for the period in which the mischaracterized transaction occurred.

**If Diversion is required, please state Statute and/or Rule required obtaining a Diversion Number.**

Diversion is not required.

What diversion registry program do you use? N/A

What products are subject to the diversion requirement? N/A

Diversion Requirements N/A

What party should apply for the refund if applicable? (Supplier, customer, etc) N/A

Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?

If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load? N/A

Any Additional Comments?

No

### **Section 9-Alternative Fuels Incentives and Laws**

Massachusetts Clean Cities Coalition State Incentives

[www.mass.gov/doer/cleancit/cleancit.htm](http://www.mass.gov/doer/cleancit/cleancit.htm).

#### **State Incentives**

There are currently no known State incentives offered in Massachusetts

### **Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.24/gallon	B100 is taxable	Subject to the Spill Fee if it has any petroleum component	\$0.24/gallon	Ethanol is taxable	Subject to the Spill Fee

### **Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$0.24/gallon. Sales to licensed suppliers are tax free.	Ethanol is not taxed until blended with gasoline. The rate is \$0.24/gallon. Sales between licensed distributors/exporters are permitted.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	As Propane at 24¢ per gallon	<b>4.23 lb. = 1 gal.</b>
<b>E85</b>		<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>		<b>Not Applicable</b>
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>	As Propane at 24¢ per gallon	<b>4.23 lb. = 1 gal.</b>
<b>LNG (Liquefied Natural Gas)</b>	As Propane at 24¢ per gallon	<b>4.23 lb. = 1 gal.</b>
<b>LPG (Liquefied Petroleum Gas)</b>	As Propane at 24¢ per gallon	<b>4.23 lb. = 1 gal.</b>
<b>Methanol or “M85”</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>None</b>		

**Section 14-How does your state handle contaminated fuel?**

Contaminated fuel should be reported as own non-taxable use in Form SFT-3-B, Schedule E. Nontaxable Gallons Sold or Used for Special Fuels and as “Line 14. Other non-taxable distribution” on GT-456, the Gasoline Tax Return.

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Yes

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

11:59 PM on due date

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties

See M.G.L. c 62C

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is treated no differently from any other fuel taxed as gasoline.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

No

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

The first owner of the below the rack is taxed as licensed, whether or not they take possession of the fuel.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

A consumer of any fuel off the highways of the Commonwealth or in any manner exempt from the fuels excise is eligible for a refund of any fuels excise paid. The sale of that fuel is subject to the 6.25% sales tax on the purchase price of the fuel,

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Suppliers must be bonded up to three times their average monthly tax with a minimum bond of \$10,000.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

# STATE OF MICHIGAN

## **Section 1-Contact Information**

**Agency:** Michigan Department of Treasury

**Name:** Scott Horton, Supervisor, Motor Fuel Tax Unit

**Street Address:** P.O. Box 30474

**City, State Zip Code:** Lansing, MI 48909-7974

**Phone Number:** 517-636-4490

**Fax Number:** 517-636-4593

**E-mail Address:** hortonc4@michigan.gov

## **Section 2-Statutes and Rules**

**Please give reference to your Statutes and Rules:**

Motor Fuel Tax Act  
Public Act 403 of 2000

## **Section 3-State Point of Taxation**

**Gasoline:** Rack

**Diesel:** Rack

**Aviation Fuel:** Rack

**Jet Fuel:** Rack

## **Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver: Please see MCL 207.1002 through MCL 207.1008

Point of Taxation: Please see MCL 207.1002 through MCL 207.1008

## **Section 5-State Tax Rates**

**Gasoline:** \$.263

**Diesel:** \$.263

**Alternative Fuel:** \$.263

**Aviation Fuel:** \$.03

**Jet Fuel:** \$.03

## **Section 6-Rate Updates**

Effective January 1, 2017, all motor fuel is taxed at the rate of \$.263 per gallon and alternative fuel is taxed at \$.263 per gallon or gallon equivalent.

## **Section 7-State Collection Allowance**

1.5% on Gasoline

## **Section 8-State Diversion Requirements**

**Diversion Required:** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.** MCL 207.1081 and MCL 207.1087

**What diversion registry program do you use?** Fuel Trac

**What products are subject to the diversion requirement?**

All taxable products

### **Diversion Requirements**

Diverted fuel removed from a terminal in Michigan from an intended destination outside Michigan as shown on the terminal-issued shipping papers to a destination within Michigan, the exporter shall obtain a fuel diversion number and pay to the department the tax imposed.

Diverted fuel removed from a destination outside Michigan to a destination inside Michigan after having removed the fuel from a terminal or a bulk plant outside Michigan, the importer shall obtain a fuel diversion number, notify, and pay to the department the tax imposed.

The shipper, importer, transporter, shipper's agent and any purchaser, not the supplier or terminal operator, shall be jointly liable for any tax otherwise due as the result of the diversion.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Customer would obtain refund

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**Any Additional Comments?**

### **Section 9-Alternative Fuels Incentives and Laws**

Michigan is the proud home of the Ann Arbor ([www.aacleancities.org](http://www.aacleancities.org)), Detroit ([www.nextenergy.org/industrgroups/clean\\_cities.asp](http://www.nextenergy.org/industrgroups/clean_cities.asp)), and Greater Lansing Area ([www.michigancleancities.org](http://www.michigancleancities.org)) Clean Cities Coalitions. Coordinator contact information is listed in the Points of Contact section.

#### **State Incentives**

##### **Michigan Business Tax repealed**

**\*\*\*\*\* Act 36 of 2007 THIS ACT IS REPEALED BY ACT 39 OF 2011 EFFECTIVE WHEN CONDITIONS APPLIED BY ENACTING SECTION 1 OF ACT 39 OF 2011 ARE MET: See enacting section 1 of Act 39 of 2011 \*\*\*\*\***

##### **Hybrid Electric Vehicle Research and Development Tax Credit**

For tax years beginning on or after January 1, 2008, and ending before January 1, 2016, a taxpayer engaged in research and development of a qualified hybrid system that has the primary purpose of propelling a motor vehicle may claim a tax credit under the Single Business Tax. This tax credit is equal to 3.9% of all wages, salaries, fees, bonuses, commissions, or other payments made in the taxable year for the benefit of employees for services performed in a qualified facility. The maximum amount of credit allowed for any one taxpayer is \$2 million in a single tax year. The qualified taxpayer may also claim a tax credit under the Michigan Business Tax equal to 3.9% of all wages, salaries, fees, bonuses, commissions, or other payments made in the taxable year on behalf of or for the benefit of employees for services performed in a qualified facility. The maximum amount of credit allowed for any one taxpayer is \$3 million in a single tax year. (Reference Senate Bill 944, 2007, House Bill 5409, 2007 and Michigan Compiled Laws 208.1101 to 208.1601 and 208.32)

##### **Alternative Fuel Research and Development Tax Exemption**

The Michigan Strategic Fund (MSF) has designated an Alternative Energy Zone (AEZ) within Wayne State University's Research and Technology Park in Detroit to promote the research, development, and manufacturing of alternative energy technologies, including alternative fuel vehicles (AFV). Businesses located within the AEZ that are engaged in qualified activities are eligible for exemption from state and local taxes, to be determined by the Michigan NextEnergy Authority (MNEA). Alternative energy technology companies located in the AEZ may also be eligible for a refundable payroll credit under the Single Business Tax. More information on the

AEZ tax benefits is available on the [MNEA Web site](#). (Reference [Michigan Compiled Laws 207.821-207.827](#))

### **Alternative Fuel Fueling Station Grants**

The Michigan Strategic Fund (MSF) has created the Ethanol and Biodiesel Matching Grant Program to provide incentives to owners and operators of service stations to convert existing and install new fuel delivery systems designed to provide E85 and biodiesel blends. Grants may not exceed 75% of the costs to convert existing fueling infrastructure, up to \$3,000 per facility. Grants may not exceed 50% of the new construction costs to install new fueling infrastructure, up to \$12,000 per facility for E85 and \$4,000 per facility for biodiesel blends. Other funding limitations may apply. For the purpose of this grant program, biodiesel must meet American Society for Testing and Materials (ASTM) D-6751 specification and be approved by the Michigan Department of Agriculture. E85 is defined as a fuel blend containing between 70% and 85% denatured ethanol and meets ASTM D-5798 specifications. (Reference [Michigan Compiled Laws 125.2078](#))

### **Reduced Biofuels Tax: This reduced rate is no longer in effect. Bio Diesel and Ethanol are taxed at the same rate as Diesel Fuel and Gasoline.**

A tax of \$0.12 per gallon is imposed on gasoline containing at least 70% ethanol and diesel fuel containing at least 5% biodiesel. Ethanol is defined as denatured fuel ethanol that is suitable for use in a spark-ignition engine when mixed with gasoline and must meet the American Society for Testing and Materials (ASTM) D-5798 specifications.

Biodiesel is defined as a fuel composed of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats and, in accordance with standards specified for 100% biodiesel fuel and meets ASTM D-6571 specification, as approved by the Michigan Department of Agriculture. (Reference [Michigan Compiled Laws 207.1008](#))

### **Alternative Fuel Development Property Tax Exemption**

A tax exemption may apply to industrial property which is used for, among other purposes, high-technology activities or the creation or synthesis of biodiesel fuel. High-technology activities include those related to advanced vehicle technologies such as electric, hybrid, or alternative fuel vehicles and their components. In order to qualify for the tax exemptions, an industrial facility must obtain an exemption certificate for the property from the State Tax Commission. (Reference [Senate Bill 207, 2007](#), and [Michigan Compiled Laws 207.552 and 207.803](#))

### **Alternative Fuel Vehicle (AFV) Emissions Inspection Exemption**

Dedicated AFVs powered by compressed natural gas, propane, electricity, or any other source as defined by rule promulgated by the Michigan Department of Transportation are exempt from emissions inspection requirements. (Reference [Michigan Compiled Laws 324.6311 and 324.6512](#))

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>Biodiesel blends</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.263/gallon	Is taxable	Subject to the Prepaid Sales tax and the Environmental Protection Fee	\$0.263/gallon	Ethanol is taxable	Subject to the Prepaid Sales tax and the Environmental Protection Fee

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is taxed like biodiesel blends containing at least 5% biodiesel. The tax rate is \$0.263/gallon. The tax is due on import-the product does not need to be blended for the tax to apply and there is no exemption from the taxes for sales to licensed distributors.	Per oral guidance from the state, pure ethanol sold for blending with gasoline is included in the statutory definition of motor fuel and is taxed at a rate of \$0.263/gallon just like gasoline. The tax is due on import-the product does not need to be blended for the tax to apply-and there is no exemption from the taxes for sales to licensed distributors.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Yes	<b>5.66 pounds or 126.67 cubic feet at 60 degrees Fahrenheit and 1 atmosphere of pressure</b>
<b>E85</b>	Yes, Taxed as Gasoline	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	Yes	<b>See MCL 257.801 for rates</b>
<b>Gasoline Hybrid Vehicles</b>	Yes, Taxed as Gasoline	<b>See MCL 257.801 for rates</b>
<b>Hydrogen</b>	Yes	<b>The volume or weight that is equal to 128,450 BTUs. There are 27,000 BTUs per 100 standard cubic feet, and 480.11 standard cubic feet per gallon equivalent.</b>
<b>LNG (Liquefied Natural Gas)</b>	Yes	<b>6.060 pounds.</b>

<b>LPG (Liquefied Petroleum Gas)</b>	Yes	
<b>Methanol or “M85”</b>	Yes, Taxed as Gasoline	<b>Not Applicable</b>
<b>Other</b>	Evaluated on a case-by-case basis	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
All blendstocks classified as gasoline under MCL 207.1003(f)	\$.263	Yes
Butane	*Only taxed once blended with gasoline at the \$.263 per gallon rate. Not taxable as a standalone product.	Is reportable regardless if taxed.

**Section 14-How does your state handle contaminated fuel?**

A refund can be obtained for tax paid on motor fuel that meets the requirements under MCL 207.1040.

**Section 15-Does your state allow bad debt credits?**

Yes, licensed suppliers can claim bad debt credits that qualify under MCL 207.1016.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Exporter Report	20 <sup>th</sup> of the month following the end of the reporting period. Exporter reports are filed quarterly.	N/A
Retail Marine Diesel Dealer Return	20 <sup>th</sup> of the month following the end of the reporting period. Retail Marine Diesel Dealer returns are filed quarterly.	20 <sup>th</sup> of the month following the end of the reporting period. Retail Marine Diesel Dealer payments must be paid quarterly.
Transporter Report	20 <sup>th</sup> of the month following the end of the reporting period. Transporter reports are filed quarterly.	N/A

Alternative Fuel Dealer Return	20th of the month following the end of the reporting period. Alternative Fuel Dealer returns are filed monthly.	20th of the month following the end of the reporting period. Alternative Fuel Dealer payments must be paid monthly.
Alternative Fuel Commercial User Return	20th of the month following the end of the reporting period. Alternative Fuel Commercial User returns are filed monthly.	20th of the month following the end of the reporting period. Alternative Fuel Commercial User payments must be paid monthly.
Tankwagon Importer Return	20th of the month following the end of the reporting period. Tankwagon Importer returns are filed quarterly.	20 <sup>th</sup> of the month following the end of the reporting period. Tankwagon Importer payments must be paid quarterly.
Bonded Importer Return	20th of the month following the end of the reporting period. Bonded Importer returns are filed quarterly.	20 <sup>th</sup> of the month following the month the motor fuel was imported. Bonded Importer payments must be paid monthly.
Occasional Importer Return	20th of the month following the end of the reporting period. Occasional Importer returns are filed quarterly.	Within 3 business days after the earlier of the following:  (a) The date that the motor fuel other than dyed diesel fuel was delivered into the state.  (b) The date that a valid import verification number required under sections 76 and 104 was assigned by the department.
Blender Return	20th of the month following the end of the reporting period. Blender returns are filed Monthly.	20 <sup>th</sup> of the month following the end of the reporting period. Blender payments must be paid monthly.
Permissive Supplier Return	20th of the month following the end of the reporting period. Permissive Supplier returns are filed monthly.	20 <sup>th</sup> of the month following the end of the reporting period. Permissive Supplier payments must be paid monthly.

Supplier Return	20th of the month following the end of the reporting period. Supplier returns are filed monthly.	20 <sup>th</sup> of the month following the end of the reporting period. Supplier payments must be paid monthly.
Carrier Report	20th of the month following the end of the reporting period. Carrier reports are filed monthly.	N/A
Terminal Operator Report	20th of the month following the end of the reporting period. Terminal Operator reports are filed monthly.	N/A
Terminal Operator Annual	February 25 of the year following the reporting year.	February 25 of the year following the reporting year.

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Please see Section 16 above and MCL 207.1146 for timely filed information.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

The return must be Submitted on or before the 20<sup>th</sup> of the month the return or report is due.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The following business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Exporter Report	Possible license revocation.	N/A
Retail Marine Diesel Dealer Return	Possible license revocation.	Based upon amount of tax due.
Transporter Report	Possible license revocation.	Based upon amount of tax due.
Alternative Fuel Dealer Return	Possible license revocation.	Based upon amount of tax due.
Alternative Fuel Commercial User	Possible license revocation.	Based upon amount of tax due.

Return		
Tankwagon Importer Return	Possible license revocation.	Based upon amount of tax due.
Bonded Importer Return	Possible license revocation.	Based upon amount of tax due.
Occasional Importer Return	Possible license revocation.	Based upon amount of tax due.
Blender Return	Possible license revocation.	Based upon amount of tax due.
Permissive Supplier Return	Possible license revocation.	Based upon amount of tax due.
Supplier Return	Possible license revocation.	Based upon amount of tax due.
Carrier Report	Possible license revocation.	N/A
Terminal Operator Report	Possible license revocation.	N/A
Terminal Operator Annual	Possible license revocation.	Based upon amount of tax due.

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Each fuel type must be reported under the actual product code such as 065 for gasoline of 160 for clear diesel fuel.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes, all licensed Transporters are required to report their activity in this state.

**Section 23-(Tax at the rack states or first receiver states only) How does your state handle flash title transactions?**

The fuel must be reported by the terminal operator as being disbursed to the licensed Supplier who held title to the fuel **before** being disbursed below the terminal rack. The flash title transaction is below the terminal rack and can be reported by the licensed Supplier as being sold to their customer on the appropriate schedule based upon what is being done with the fuel.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Sales tax is imposed on sales of all three fuels unless an appropriate exemption applies. The difference is in how and when the sales tax is collected.

For gasoline and clear diesel fuel, the sales tax is collected on a “prepaid” basis under which the tax is collected from importers of the gasoline and diesel fuel or at the time the gasoline and diesel fuel is removed from a refinery, terminal, or marine terminal, at the “rack.”

The cents/gallon rates for gasoline and diesel fuel are determined on monthly based on value (i.e., 6% of the statewide average retail price of a gallon of self-serve unleaded regular gasoline rounded up to the nearest 1/10 of 1 cent and 6% of the statewide average retail price of a gallon of undyed No. 2 ultra-low sulfur diesel fuel rounded up to the nearest 1/10 of 1 cent).

Because “dyed diesel fuel” does not constitute either “gasoline” or “diesel fuel” for purposes of the prepaid sales tax on fuel, sales tax on dyed diesel fuel is not collected on a “prepaid basis,” but is collected at the retail level at the rate of 6% of the retailer’s gross proceeds as with other sales on tangible personal property.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Bonding requirements are covered under MCL 207.1058.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

All of the following licensees are required to pay motor fuel and alternative fuel tax under the Motor Fuel Tax Act: Retail Marine Diesel Dealers, Alternative Fuel Dealers, Alternative Fuel Commercial Users, Tankwagon Importers, Bonded Importers, Occasional Importers, Blenders, Permissive Suppliers, and Suppliers.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Amend only the information that is changing or being added.

**Section 28-Does your state allow credit and rebills on the current month report?**

No

**Section 29-How many days are allowed to report late loads?**

There is no grace period allowed to report late loads.

# STATE OF MINNESOTA

## Section 1-Contact Information

**Agency:** Minnesota Department of Revenue

**Name:** Jeremy Neeck, Revenue Tax Specialist Principal

**Street Address:** 600 N. Robert ST

**City, State Zip Code:** St. Paul, MN 55146

**Phone Number:** 651-556-4728

**Fax Number:** 651-556-3107

**E-mail Address:** jeremy.neeck@state.mn.us

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Minnesota Statute 296A: <https://www.revisor.mn.gov/statutes/?id=296a>

Minnesota Rules 8125: <https://www.revisor.mn.gov/rules/?id=8125>

## Section 3-State Point of Taxation

**Gasoline:** 1<sup>st</sup> Licensed Distributor after the rack.

**Diesel:** 1<sup>st</sup> Licensed Distributor after the rack.

**Aviation Fuel:** 1<sup>st</sup> Licensed Distributor after the rack.

**Jet Fuel: 296A.08**

### **Special fuel tax.**

Subdivision 1. Tax imposed.

(e) For other fuels, including jet fuel, propane, and compressed natural gas, the tax is imposed on the distributor, special fuel dealer, or bulk purchaser.

(f) Any person delivering special fuel on which the excise tax has not previously been paid, into the supply tank of an aircraft or a licensed motor vehicle shall report such delivery and shall pay, or collect and pay the excise tax on the special fuel so delivered to the commissioner.

**Section 4-Please define “First Receiver” and “Point of Taxation” and  
site your statutory reference regarding point of taxation.**

First Receiver:-296A.01 Subd. 44

Subd. 44. Received.

(a) Except as otherwise provided in this subdivision, petroleum products brought into this state shall be deemed to be "received" in this state at the time and place they are unloaded in this state. When so unloaded such products shall be deemed to be received in this state by the person who is the owner immediately after such unloading; provided, however, that if such owner is not licensed as a distributor in this state and if such products were shipped or delivered into this state by a person who is licensed as a distributor, then such products shall be deemed to be received in this state by the licensed distributor by whom the same were so shipped or delivered.

(b) Petroleum products produced, manufactured, or refined, at a refinery in this state and stored there, or brought into the state by boat or barge or like form of transportation and delivered at a marine terminal in this state and stored there, or brought into the state by pipeline and delivered at a pipeline terminal in this state and stored there, shall not be considered received until they are withdrawn from such refinery or terminal for sale or use in this state or for delivery or shipment to points within this state.

(c) When withdrawn such products shall be deemed received by the person who was the owner immediately prior to withdrawal; unless (1) such products are withdrawn for shipment or delivery to another licensed distributor, in which case the licensed distributor to whom such shipment or delivery is made shall be deemed to have received such products in this state, or (2) such products are withdrawn for shipment or delivery to a person not licensed as a distributor, under one or more sale or exchange agreements by or between persons one or more of whom is a licensed distributor, in which case the last purchaser or exchangee under such agreement or agreements, who is licensed as a distributor, shall be deemed to have received such products in this state.

(d) Petroleum products produced in this state in any manner other than as covered in this subdivision shall be considered received by the producer at the time and place produced.

Point of Taxation: 296A.07 Subd. 1

Subdivision 1. Tax imposed.

There is imposed an excise tax on gasoline, gasoline blended with ethanol, and agricultural alcohol gasoline used in producing and generating power for propelling motor vehicles used on the public highways of this state. The tax is imposed on the first licensed distributor who received the product in Minnesota. For purposes of this section, gasoline is defined in section 296A.01, subdivisions 10, 18, 20, 23, 24, 25, 32, and 34. The tax is payable at the time and in the form and manner prescribed by the commissioner. The tax is payable at the rates specified in subdivision 3, subject to the exceptions and reductions specified in section 296A.17.

and 296A.08 Subdivision 1. Tax imposed.

(a) There is imposed an excise tax on all special fuel at the rates specified in subdivision 2. For purposes of this section, "owner or operator" means the operation of licensed motor vehicles, whether loaded or empty, whether for compensation or not for compensation, and whether owned by or leased to the motor carrier who operates them or causes them to be operated.

- (b) For undyed diesel fuel and undyed kerosene, the tax is imposed on the first licensed distributor who received the product in Minnesota.
- (c) For dyed fuel being used illegally in a licensed motor vehicle, the tax is imposed on the owner or operator of the motor vehicle.
- (d) For dyed fuel used in a motor vehicle but subject to a federal exemption, although no federal tax may be imposed, the owner or operator of the vehicle is liable for the state tax.
- (e) For other fuels, including jet fuel, propane, and compressed natural gas, the tax is imposed on the distributor, special fuel dealer, or bulk purchaser.
- (f) Any person delivering special fuel on which the excise tax has not previously been paid, into the supply tank of an aircraft or a licensed motor vehicle shall report such delivery and shall pay, or collect and pay the excise tax on the special fuel so delivered to the commissioner.

### **Section 5-State Tax Rates**

**Gasoline:** \$0.285 (\$0.25 tax plus \$0.035 surcharge) July 1, 2012 to current

**Diesel:** \$0.285 (\$0.25 tax plus \$0.035 surcharge) July 1, 2012 to current

**Aviation Fuel:** \$0.05

**Jet Fuel:** \$0.15

Minnesota also has an inspection fee of \$0.001/gallon on all fuels.

Minnesota has a Clean Up Fee that is \$0.02/gallon on all products that is fund based and when the fund reaches a certain minimum level, the fee is collected for a 4 month period to replenish the fund.

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

**No changes this past year**

### **Section 7-State Collection Allowance**

296A.15 Payment of tax.

Subdivision 1. Monthly gasoline report; shrinkage allowance.

(c) Each report must also include the amount of gasoline tax on gasoline received by the reporter during the preceding month. In computing the tax a deduction of 2.5 percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss. At the time of reporting, the reporter shall submit satisfactory evidence that one-third of the 2.5 percent deduction has been credited or paid to dealers on quantities sold to them.

Subd. 3. Monthly special fuel report; shrinkage allowance.

(f) In computing the special fuel excise tax due, a deduction of one percent of the quantity of special fuel on which tax is due shall be made for evaporation and loss.

## **Section 8-State Diversion Requirements**

**Diversion Required** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

8125.0300 Transport requirements.

Subp. 5. Diversions to be reported.

Any supplier or transporter of petroleum products who diverts a shipment to any other destination than that which is listed on the manifest shall notify the commissioner within a reasonable time, setting forth the manifest number (state tax number), date, kind of product, number of gallons, the consignee to whom the shipment has been diverted, and the final destination.

**What diversion registry program do you use?** FuelTrac.us

**What products are subject to the diversion requirement?**

All motor fuel products

**Diversion Requirements**

Any supplier or transporter who diverts a shipment to any other destination than that which is listed on the manifest shall notify the Commission within a reasonable time, setting forth the manifest number, date, kind of product, number of gallons, the consignee to whom the shipment has been diverted and the final destination.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

The first licensed distributor that is listed as the consignee on the bill of lading.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**Any Additional Comments?**

We would prefer that the 1<sup>st</sup> license distributor report the load as a 2A/2C and then as a 7D/13A for loads that are diverted out of MN. All loads that are diverted into MN should be reported as 2A/2C to pay appropriate taxes for those loads.

## **Section 9-Alternative Fuels Incentives and Laws**

Minnesota is the proud home of the Twin Cities Clean Cities Coalition (<http://www.CleanAirChoice.org/outdoor/cleancities.asp>). Coordinator contact information is listed in the Points of Contact section.

**State Incentives**

### **Ethanol Infrastructure Grants**

Grants administered by the Minnesota E85 Team are available to service stations installing equipment or converting existing equipment for dispensing E85 fuel to flexible fuel vehicles. Cost eligibility and grant amounts vary according to grant sponsorship.

### **Ethanol Production Incentive**

None currently

### **Idle Reduction Technology Loan Program**

The Minnesota Pollution Control Agency's Small Business Environmental Improvement Loan Program provides low-interest loans to qualified small businesses to finance environmental projects such as capital equipment upgrades that meet or exceed environmental regulations, including idle reduction technologies.

### **Alternative Fuel Tax**

An excise tax is imposed on the first licensed distributor who receives E85 fuel products in the state and on distributors, special fuel dealers, or bulk purchasers of other alternative fuels. E85 is taxed at a rate of \$0.2025 per gallon, liquefied petroleum gas is taxed at \$0.2235 per gallon, liquefied natural gas is taxed at \$0.171 per gallon, and compressed natural gas is taxed at the rate of \$1.974 per thousand cubic. (Reference Minnesota Statutes 296A.07 and 296A.08) Alternative fuels are subject to the Debt Service Surcharge. Please see our website for combined rates of tax and surcharge.

## **Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.285/gallon Effective July 1, 2012	B100 is taxable	Subject to the Inspection Fee and Petroleum Clean-up Fee	\$0.285/gallon Effective July 1, 2012	Ethanol is taxable	Subject to the Inspection Fee and Petroleum Clean-up Fee

## **Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is included in the definition of fuel and is taxed like diesel. The tax rate is \$0.285/gallon. The tax is payable upfront and there are no tax free sales to licensed distributors/suppliers.	Ethanol is included in the statutory definition of fuel and is taxed like gasoline. The rate is \$0.285/gallon. Note that if an E85 blend is imported the tax rate is \$0.2025/gallon. This special rate only applies to E85. The tax is payable upfront and there are no tax free sales to licensed distributors/suppliers.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$1.974 per 1000 cf * also subject to debt service surcharge.	<b>126.67</b>
<b>E85</b>	\$0.2025	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	N/A	<b>N/A</b>
<b>Gasoline Hybrid Vehicles</b>	N/A	<b>Not Applicable</b>
<b>Hydrogen</b>	N/A	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	\$0.171/gallon * also subject to debt service surcharge.	<b>1.65</b>
<b>LPG (Liquefied Petroleum Gas)</b>	\$0.2135/gallon * also subject to debt service surcharge.	<b>N/A</b>
<b>Methanol or “M85”</b>	N/A	<b>Not Applicable</b>
<b>Other</b>	N/A	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>Ethanol</b>	<b>.285</b>	<b>Yes</b>
<b>Biodiesel</b>	<b>.285</b>	<b>Yes</b>
<b>Any other blended product</b>	<b>.285</b>	<b>Yes</b>

**Section 14-How does your state handle contaminated fuel?**

If a taxpayer has contaminated product, they must send a letter or email to petroleum.tax@state.mn.us reporting the following information: Date of contamination, products contaminated, total gallons contaminated, what was done with contaminated product and any other details that taxpayer feels is relevant to substantiate refund claim.

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Gasoline tax return	By 23 <sup>rd</sup> of following month	By 23 <sup>rd</sup> of following month
Special fuel tax return	By 23 <sup>rd</sup> of following month	By 23 <sup>rd</sup> of following month
Alternative fuel tax return	By 23 <sup>rd</sup> of following month	By 23 <sup>rd</sup> of following month
Propane fee	By 23 <sup>rd</sup> of following month	By 23 <sup>rd</sup> of following month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Minnesota considers postmarked date for timely filed for propane fee return. All other returns are required to be electronically filed.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Returns must be filed by 11:59 pm on due date to be considered timely filed.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

If a due date falls on a holiday or weekend, the due date would be the next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Gasoline tax return	n/a	1% per day up to 10%
Special fuel tax return	n/a	1% per day up to 10%
Alternative fuel tax return	n/a	1% per day up to 10%
Propane fee	n/a	1% per day up to 10%

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Minnesota taxes E85 at a rate of 17.75 cents per gallon plus a portion of the debt surcharge of 2.5 cents per gallon for a total effective rate of 20.25 cents per gallon.

Subd. 19. E85.

"E85" means a petroleum product that is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline that contains not more than 85 percent ethanol by volume, but at a minimum must contain greater than 50 percent ethanol by volume. For the purposes of this

chapter, the energy content of E85 will be considered to be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles as defined in subdivision 5 must comply with ASTM specification D5798-11.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

No

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

Please see petroleum tax fact sheet 110 for complete details.

Who pays Minnesota petroleum taxes?

The first licensed distributor who receives petroleum products in Minnesota is the consignee and is responsible to pay state taxes due on the products.

Tax is imposed on the first licensed distributor when they receive title from a supplier. For tax purposes, a distributor “receives” petroleum products when the title passes to them from the supplier, even if that distributor never takes physical ownership. Petroleum products are not considered “received” until they are withdrawn from a refinery or terminal for sale or use in this state or for delivery or shipment to points within this state. Please see 296A.01 Subd. 44 for complete definition of “Received”.

Any later sale or title transfer must include Minnesota state excise tax on the sale.

[http://www.revenue.state.mn.us/businesses/petroleum/factsheets/pfs110\\_0915.pdf](http://www.revenue.state.mn.us/businesses/petroleum/factsheets/pfs110_0915.pdf)

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Motor fuels and other petroleum products are subject to either petroleum tax or sales and use tax, but never both. Petroleum tax applies to fuel used in licensed motor vehicles. Fuels for off-highway use are subject to either sales tax or petroleum tax.

Please see sales tax fact sheet 116 for further details.

<http://www.revenue.state.mn.us/businesses/sut/factsheets/FS116.pdf>

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

296A.03 Subd. 5. Form of application; bond.

- (a) A written application shall be made in the form and manner prescribed by the commissioner.
- (b) The commissioner shall also require the applicant or licensee to deposit with the commissioner of management and budget securities of the United States government or the state of Minnesota or to execute and file a bond, with a corporate surety approved by the commissioner, to the state of Minnesota in an amount to be determined by the commissioner and in a form to be fixed by the commissioner and approved by the attorney general, and which shall be conditioned for the payment when due of all excise taxes, fees, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state. The bond shall cover all places of business within the state where petroleum products are received by the licensee. The applicant or licensee shall designate and maintain an agent in this state upon whom service may be made for all purposes of this section.
- (c) An initial applicant for a distributor's license shall furnish a bond in a minimum sum of \$3,000 for the first year.
- (d) The commissioner, on reaching the opinion that the bond given by a licensee is inadequate in amount to fully protect the state, shall require an additional bond in such amount as the commissioner deems sufficient.
- (e) A licensee who desires to be exempt from depositing securities or furnishing such bond shall furnish to the commissioner an itemized financial statement showing the assets and the liabilities of the applicant. If it appears to the commissioner, from the financial statement or otherwise, that the applicant is financially responsible, then the commissioner may exempt the applicant from depositing such securities or furnishing such bond until the commissioner otherwise orders.
- (f) When the surety upon any bond issued under the provisions of this chapter have fulfilled the conditions of such bond and compensated the state for any loss occasioned by any act or omission of any licensee under this chapter, such surety shall be subrogated to all the rights of the state in connection with the transaction where such loss occurred.

8125.0410 Distributor's licenses.

Subpart 1. Exemption from depositing securities or filing a bond.

The commissioner will determine which distributor license applicants are financially responsible and, as a result, qualify for the statutory exemption from depositing securities or filing a bond, by taking into consideration all relevant factors. Those factors include the following:

- A. whether the applicant's financial statement reflects that the applicant's current assets are at least equal to its current liabilities and that the applicant's net worth is at least three times its average quarterly motor fuel tax liability;
- B. whether the applicant has failed to file or has been delinquent in filing any motor fuel tax returns;
- C. whether the applicant has ever failed to pay its motor fuel tax liability, paid it late, or paid with a check that was later returned by the bank unpaid; and
- D. any other evidence of the financial responsibility of the applicant.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

The first licensed distributor after the rack remits the tax.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

When amending returns, a new entire return must be filed for the period being amended.

**Section 28-Does your state allow credit and rebills on the current month report?**

Minnesota does allow for credit and rebill (in and out) loads in current month report.

**Section 29-How many days are allowed to report late loads?**

It depends on how long it's been since the original return was filed and which specific tax or fee is involved, as outlined below.

Prior period adjustments are not allowed for periods following a tax rate or surcharge change.

For the Gasoline Tax, Special Fuel Tax and the Petroleum Inspection Fee:

- You may report transactions from the previous month on your current return as a "prior period" adjustment.
- You may report transactions from two months prior on your current return, as long as such adjustments aren't made regularly. Otherwise, submit an amended return.
- To report transactions from more than two months ago, you must always submit an amended return.
- Amended returns must include all the original and amended transactions.

For the Petroleum Tank Release Cleanup Fund Fee:

- You may report transactions from prior periods on your current return, subject to the same limitations as listed above.
- However, you must submit an amended return in the following situations:
  - If you forgot to report a load of fuel on a return while the fee was inactive, and the fee becomes active the next month, you must amend the return.
  - If you didn't include the fee for a load of fuel while the fee is active, and you realized after filing your return that the fee should have been included, you must amend the return.
- Amended returns must include all original and amended transactions.

# STATE OF MISSISSIPPI

## Section 1-Contact Information

**Agency:** Mississippi Department of Revenue

**Name:** Danielle Hughes

**Street Address:** 500 Clinton Center Drive

**City, State Zip Code:** Clinton, MS 39056

**Phone Number:** 601-923-7153

**Fax Number:** 601-923-7165

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## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

**Gasoline:** Section 27-55-11 Mississippi Code of 1972

**Diesel:** Section 27-55-519 Mississippi Code of 1972

**Aviation Fuel:** 27-55-11 Mississippi Code of 1972

**Jet Fuel:** 27-55-519 Mississippi Code of 1972

## Section 3-State Point of Taxation

**Gasoline:** 1<sup>st</sup> Receiver

**Special Fuels:** Below the Rack

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver:- Into the terminal or into the state

Point of Taxation:

### **Section 5-State Tax Rates**

**Gasoline:** 18 cents per gallon

**Diesel:** clear 18 cents; Dyed 5.75 cents per gallon

**Aviation Fuel:** 6.4 cents per gallon

**Jet Fuel:** 5.25 cents per gallon

### **Section 6-Rate Updates**

**Please list any rate updates for your state**

### **Section 7-State Collection Allowance**

2% allowance on gasoline to cover evaporation, shrinkage and other normal losses

### **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?** Fuel Trac

**What products are subject to the diversion requirement?** Gasoline and/or Special Fuels

**Diversion Requirements:** BoL and Fuel Trac Report

**What party should apply for the refund if applicable? (Supplier, customer, etc)**  
Customer claiming refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**  
Yes.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

Acts like distributor state: 1<sup>st</sup> sale to distributor is exempt, exports exempt, carrier must report diversions.

## Section 9-Alternative Fuels Incentives and Laws

### State Incentives

#### Biofuels Production Incentive

No state incentives funded.

## Section 10-Taxability & Tax Rates for Biodiesel and Ethanol

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.18/gallon	B100 is taxable when blended	Subject to the Environmental Protection Fee	\$0.18/gallon	Ethanol is taxable when blended	Subject to the Environmental Protection Fee

## Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$0.18/gallon for clear and \$0.0575/gallons for dyed.	Ethanol is included in the statutory definition of fuel and is taxed like gasoline. The rate is \$0.18/gallon.

## Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	18 cents	<b>Per Gasoline Gallon Equivalent 5.66 lbs</b>
<b>E85</b>	18 cents	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	None	
<b>Gasoline Hybrid Vehicles</b>	18 cents on fuel only	<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	18 cents	<b>Per Diesel Gallon Equivalent 7/1/2015 6.06 lbs</b>
<b>LPG (Liquefied Petroleum Gas)</b>	17 cents	<b>Gallon</b>
<b>Methanol or “M85”</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>Ethanol</b>	<b>18 cents per gallon</b>	<b>Upon blending</b>
<b>All blend stock</b>	<b>18 cents per gallon</b>	<b>Upon blending</b>

**Section 14-How does your state handle contaminated fuel?**

Mississippi Code allows for credit of contaminated fuel by allowing credit to the distributor of the contamination.

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
All Returns	20 <sup>th</sup> of each month or following business day	20 <sup>th</sup> of each month or following business day

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

All returns in petroleum are electronically filed. They must be filed by the end of business on the 20<sup>th</sup> of each month except for when weekend or holiday is on the 20<sup>th</sup>.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

11.59 PM CST would be a timely return on the 20<sup>th</sup> or following business day.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next business day after the weekend, or weekend and holiday combined

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
All Taxes	10% Penalty	.07 % per Month

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes, every carrier importing or distributing gasoline or special fuel products into the state by truck, rail, barge, ship or pipeline.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

No

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

The following tax types are required to have a bond.

- 1) Gasoline – bond between \$1,000 to \$250,000
- 2) Special Fuels – bond between \$1,000 to \$250,000
- 3) Lubricating Oil - bond between \$1,000 to \$250,000
- 4) Compressed Gas – bond between \$1,000 to \$25,000

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

All distributors buying and selling fuel are required to be licensed, but 1<sup>st</sup> and 2<sup>nd</sup> distributor are entitled to an exemption. The 3<sup>rd</sup> distributor is responsible for remitting taxes to the state.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

If an XML file is being uploaded, the full gasoline & special fuel amended return will need to be uploaded. If the loads are manually amended then only the information that is being amended will need to be changed.

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

Returns can be amended up to 3 year, but interest and penalty will be assessed on the additional tax liability.

# STATE OF MISSOURI

## Section 1-Contact Information

**Agency:** Missouri Department of Revenue

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**Phone Number:** 573-751-3804

**Fax Number:** 573-522-1720

**E-mail Address:** casandra.willis@dor.mo.gov or excise@dor.mo.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:** Fuel Tax: Chapter 142 RSMo.; Code of State Regulations-Title 12, Division 10, Chapters 6 and 7; Aviation Fuel: Chapter 155 RSMo.; Fuel Fees: Chapter 414 RSMo.(Agriculture Inspection); Chapter 319 RSMo.(Underground Storage)

## Section 3-State Point of Taxation

**Gasoline:** Terminal Rack or upon import

**Diesel:** Terminal Rack or upon import

**Aviation Fuel:** Terminal Rack or upon import

**Jet Fuel:** Terminal Rack or upon import – subject to fees only

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-: N/A

Point of Taxation: Terminal Rack-Chapter 142.842, RSMo.

## **Section 5-State Tax Rates**

**Gasoline:** \$.17 cents per gallon; \$.0007 cents per gallon agriculture inspection fee; \$.0025 cents per gallon underground storage fee

**Diesel:** \$.17 cents per gallon; \$.0007 cents per gallon agriculture inspection fee; \$.0025 cents per gallon underground storage fee

**Aviation Fuel:** \$.09 cents per gallon; \$.0007 cents per gallon agriculture inspection fee; \$.0025 cents per gallon underground storage fee

**Jet Fuel:** No fuel tax - \$.0007 cents per gallon agriculture inspection fee; \$.0025 cents per gallon underground storage fee

## **Section 6-Rate Updates**

**Please list any rate updates for your state:**

Agriculture Inspection Fee: \$.0007 per gallon (April 1, 2017)

**CNG:** \$.05 per GGE (January 1, 2016 through December 31, 2019)

\$.11 per GGE (January 1, 2020 through December 31, 2024)

\$.17 per GGE (January 1, 2025 and thereafter)

No agriculture inspection fee or transport load fee applies

**LNG:** \$.05 per DGE (January 1, 2016 through December 31, 2019)

\$.11 per DGE (January 1, 2020 through December 31, 2024)

\$.17 per DGE (January 1, 2025 and thereafter)

No agriculture inspection fee or transport load fee applies

**Propane:** \$.05 per gallon (August 28, 2017 through December 31, 2019)

\$.11 per gallon (January 1, 2020 through December 31, 2024)

\$.17 per gallon (January 1, 2025 and thereafter)

No agriculture inspection fee or transport load fee applies

## **Section 7-State Collection Allowance**

Three percent for gasoline, gasoline blends, gasoline blend stocks, CNG and Propane

Two percent for diesel, diesel blends, diesel blend stocks and LNG

## **Section 8-State Diversion Requirements**

**Diversion Required** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number. 142.917.**

1. The director shall promulgate rules and regulations for relief in a case where a shipment of motor fuel is legitimately diverted from the represented destination state after the shipping paper has been issued by the terminal operator or where the terminal operator failed to cause proper information to be printed on the shipping paper.
2. The relief rules and regulations shall include a provision requiring that the shipper, the transporter, or an agent of either provide notification before the diversion or correction to the director if an intended diversion or correction is to occur, that a verification number be assigned and manually added to the face of the terminal-issued shipping paper, and the relief provision shall be consistent with the refund provisions of this chapter, including section 142.845.
3. The relief provisions shall establish a protest procedure so that any person found to be in violation of section 142.911 and subsection 3 of section 142.914 may establish a defense to any civil penalty imposed under this chapter for violation of such section or sections upon establishing substantial evidence satisfactory to the director that the violation was the result of an honest error made in the context of a good faith and reasonable effort to properly account for and report fuel shipments *and taxes*.

**What diversion registry program do you use?**

TRAC III SYSTEMS, LLC

**What products are subject to the diversion requirement?**

All reportable products

**Diversion Requirements**

Diverted product by a licensed distributor from a destination in this state to a destination outside this state shall apply for a refund. The distributor by mutual agreement with the supplier, assign the claim to the supplier and they may take credit for the diversion. A verification number must be obtained from the director and added to the fact of the shipping document. The shipper, importer, transporter, shipper's agent and any purchaser, not the supplier or terminal operator, shall be jointly liable for any tax otherwise due as the result of the diversion. In the event a distributor diverts motor fuel removed from a terminal in this state from an intended destination outside this state as shown on the terminal-issued shipping papers to a destination within this state, the distributor shall notify and pay the tax to the state. Each supplier who pre-collects the tax pursuant to this chapter shall not be subject to any civil penalties or interest imposed. However, the supplier and distributor may, by mutual agreement, permit the supplier to assume the liability and pay the taxes.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

The supplier or distributor claims the refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

No, but may by mutual agreement.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

Yes

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

Missouri is the home of the St. Louis Regional (<http://stlcleancities.org>) and the Kansas City Regional (<https://cleancities.energy.gov/coalitions/kansas-city>) Clean Cities Coalitions.

### **State Incentives**

#### **Ethanol Production Incentive**

For information regarding ethanol production incentives, contact the Department of Agriculture, Robin Perso, (573) 526-4892 or [Robin.Perso@mda.mo.gov](mailto:Robin.Perso@mda.mo.gov).

#### **Biodiesel Production Incentive**

For information regarding biodiesel production incentives, contact the Missouri Department of Agriculture, Robin Perso, (573) 526-4892 or [Robin.Perso@mda.mo.gov](mailto:Robin.Perso@mda.mo.gov).

#### **Fleet Biodiesel Fuel Use Incentive**

The Biodiesel Fuel Revolving Fund uses the money generated by the sale of Energy Policy Act (EPA) credits to cover the incremental cost of purchasing fuel containing B20 or higher biodiesel blends for use by state fleet vehicles. (Reference Missouri Revised Statutes 414.407)

#### **Alternative Fuel Tax**

The \$0.17 per gallon motor fuel tax does not apply to passenger motor vehicles, certain buses, or commercial motor vehicles that are powered by an alternative fuel. Instead, the owners or operators of such vehicles are required to pay an annual alternative fuel decal fee as follows (certain restrictions apply):

<b>Gross Vehicle Weight</b>	<b>Type of Vehicle</b>	<b>Decal Fee</b>
18,000 pounds (lbs.) or less	Passenger, School Bus, Commercial	\$75
18,000 lbs.-36,000 lbs.	Farm or Farming Transportation with an 'F' License Plate	\$100
18,000 lbs.-36,000 lbs.	Passenger-Carrying and Other Motor Vehicles	\$150
36,000 lbs. or more	Farm or Farming Transportation with an 'F' License Plate	\$250
36,000 lbs. or more	All Other Motor Vehicles	\$1,000

It is unlawful for any person to operate a motor vehicle required to have an alternative fuel decal upon the highways of this state without a valid decal. No person may fuel alternative fuel vehicles with liquefied petroleum gas (LPG) or natural gas unless the vehicle has a valid decal. Motor vehicles licensed as historic which are powered by alternative fuel are exempt from the fuel tax and the alternative fuel decal requirement. Effective January 1, 2016 CNG was taxed at a GGE and LNG was tax at a DGE. Owners of vehicles powered by CNG or LNG that have installed a CNG OR LNG fueling station used solely to fuel their own vehicles may continue to apply for and use alternative fuel decals in lieu of paying the tax. Reference Missouri Revised Statutes 142.803, 142.869 and 301.131)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.17/gallon	B100, B99.9 and B99 are not taxable until blended	Subject to the Inspection Fee and Transport Load Fee when blended	\$0.17/gallon	Not taxable until blended	Subject to the Inspection Fee and Transport Load Fee when blended

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
n/a (See above) - But note that it is requested that company obtains a license and files returns for tracking purposes.	n/a (see above) - But note that a license is required for tracking.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$.05/GGE (1/1/16 through 12/31/19) \$.11/GGE (1/1/20 through 12/31/24) \$.17 /GGE (1/1/25 thereafter) (See Section 8 Alternative Fuel)	<b>5.66 pounds = 1 GGE (effective 1/1/2016)</b>
<b>E85</b>	\$.17/gallon	<b>Not Applicable</b>
<b>Electric</b>	Considered an alternative fuel	<b>Not Applicable</b>

<b>Vehicles/Electricity</b>	(See Section 8 Alternative Fuel)	
<b>Gasoline Hybrid Vehicles</b>	Taxed only on motor fuel purchased	<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	\$.05/ DGE (1/1/16 through 12/31/19) \$.11/DGE (1/1/20 through 12/31/24) \$.17 /DGE (1/1/25 thereafter) (See Section 8 Alternative Fuel)	<b>6.06 pounds = 1 DGE (effective 1/1/2016)</b>
<b>LPG (Liquefied Petroleum Gas)</b>	Considered an alternative fuel (See Section 8 Alternative Fuel)	
<b>Methanol or "M85"</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
See comment below		

Any product that is blended with either gasoline or undyed diesel for use in a licensed motor vehicle is taxable at the same rate as the gasoline and diesel.

**Section 14-How does your state handle contaminated fuel?**

The owner of any Missouri tax-paid motor fuel which was lost or destroyed as a direct result of a sudden and unexpected casualty or which had been accidentally contaminated so as to be unsalable as highway fuel may file for a refund of the motor fuel tax. The refund shall be made to the person or entity owning the motor fuel at the time of the contamination or loss. Such person shall notify the director in writing of such event and the amount of motor fuel lost or contaminated within ten days from the date of discovery of such loss or contamination, and within thirty days after such notice, shall file an affidavit sworn to by the person having immediate custody of such motor fuel at the time of the loss or contamination, setting forth in full the circumstances and the amount of the loss or contamination.

**Section-15 Does your state allow bad debt credits?**

Suppliers and Permissive Suppliers shall be entitled to a credit against the tax payable in the amount of tax paid by the supplier that was accrued and remitted to a state, but not received from an eligible purchaser. Notice must be provided to the director of a failure to collect the tax within ten business days following the earliest date on which the supplier was entitled to collect the tax from the eligible purchaser. The credit shall be claimed on the first return following the expiration of the ten-day period if the payment remains unpaid as of the filing date of that return or the credit shall be disallowed.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Supplier/Permissive Supplier	The second day of each month for gallons removed during the second preceding month	The second day of each month for gallons removed during the second preceding month
Distributor	Last day of each month for purchases made in preceding month.	Last day of each month for purchases made in preceding month (This applies to payments made to suppliers by eligible purchasers and for any amount made directly to the state)
Transporter	Last day of each month for deliveries made in preceding month.	N/A
Terminal Operator	Last day of each month for all transactions made in preceding month.	N/A

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Reports and payments which are transmitted through the United States mail shall be deemed filed and received on the date shown by the post office cancellation or if by certified mail the day shown on the certificate shall be deemed the postmarked.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Return must be transmitted by 11:59:59 pm on the due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

If the due date of a return or payment falls on a weekend or holiday, the return would be due the next succeeding business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
All reports – Failure to file	\$100 for the first offense and increasing by that amount for each additional occurrence	
Supplier/Permissive Supplier		Loss of allowance, 5% per month for each month or part of a month for which the amount remains unpaid up to a maximum of 25% and interest (penalty applies even if the payment is timely but the report is late)
Distributor		Loss of allowance, 5% per month for each month or part of a month for which the amount remains unpaid up to a maximum of 25% and interest (penalty applies even if the payment is timely but the report is late)

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is treated in the same manner as gasoline or gasohol. There are no special reporting requirements.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes, any person importing or exporting fuel in Missouri regardless of whether the person is engaged in interstate commerce or for hire in intrastate commerce.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

Missouri considers the distributor of record as maintained on the bill of lading as to the appropriate distributor to be invoiced for the motor fuel tax.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Yes, sales tax is charged on the value of dyed diesel. The state sales tax rate is 4.225% of the value of the fuel. This rate has not changed since 1989.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Licensees are required to post a bond of not less than three months' potential tax liability based on the number of gallons handled.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Supplier and Distributor licensees remit motor fuel taxes. Transporter and Terminal licensees do not remit taxes.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

“Additional” returns are to be filed when adding or subtracting loads on a return. “Amended” returns are to be filed when an entire return is to be replaced.

**Section 28-Does your state allow credit and rebills on the current month report?**

Yes

**Section 29-How many days are allowed to report late loads?**

N/A

# STATE OF MONTANA

## Section 1-Contact Information

**Agency:** Montana Department of Transportation

**Name:** Tracy Halubka

**Street Address:** 2701 Prospect Ave

**City, State Zip Code:** Helena, MT 59620

**Phone Number:** 406-444-0806

**Fax Number:** 406-444-5411

**E-mail Address:** thalubka@mt.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Montana Code Annotated (MCA) Title 15; Chapter 70, Part 4. Administrative Rules of Montana (ARM) Title 18, Chapter 15 – Motor Fuel Taxes

## Section 3-State Point of Taxation

<b>Gasoline:</b>	Distributor
<b>Diesel:</b>	Distributor
<b>Aviation Fuel:</b>	Distributor
<b>Jet Fuel:</b>	Distributor

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver:-

Point of Taxation: Distributor Level. Montana Codes Annotated 15-70-403. “Distributor is defined in 15-70-401(8).

## Section 5-State Tax Rates

**Effective 7/1/17**

<b>Gasoline:</b>	\$0.31.5
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**Diesel:** \$0.2925

**Aviation Fuel:** \$0.04

**Jet Fuel:** \$0.04

### **Section 6-Rate Updates**

**Please list any rate updates for your state:** See Section 5.

### **Section 7-State Collection Allowance**

A 1% collection allowance applies to gasoline and special fuels. There is no collection allowance on aviation or jet fuel.

### **Section 8-State Diversion Requirements**

**Diversion Required** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

Fuel Trac

**What products are subject to the diversion requirement?**

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc.)**

An exemption or credit is allowed for exported fuel if the distributor is licensed and paying the tax to the state the fuel is destined for.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**Any Additional Comments?**

### **Section 9-Alternative Fuels Incentives and Laws**

**State Incentives**

**Renewable Energy Property Tax Incentive**

Property tax rate abatements of up to 3% are available for new investments in facilities that manufacture, research, or develop products related to biodiesel, biomass, biogas, coal-to-liquid

fuels, ethanol, pipelines carrying "clean" products, renewable energy manufacturing plants, and research and development equipment for renewable energy. These incentives last for 15 years after facility start-up, with up to four additional years for construction. (Reference [House Bill 3](#), 2007 Special Session and Reference [MCA 15-6-157](#))

### **Ethanol Production Incentive**

Montana based ethanol producers are entitled to a tax incentive of \$0.20 per gallon of ethanol solely produced from Montana agricultural products, or if the ethanol was produced from non-Montana agricultural products when Montana products were unavailable. The amount of the tax incentive for each gallon is reduced proportionately, based upon the amount of agricultural or wood products not produced in Montana that are used in the production of the ethanol. The tax incentive is available to a facility for the first six years from the date that production begins. Ethanol eligible for the incentive must be blended with gasoline for sale as ethanol-blended gasoline in Montana, exported from Montana for sale as ethanol-blended gasoline, or used in the production of ethyl tertiary butyl ether for use in reformulated gasoline. An ethanol distributor is not eligible to receive the tax incentive unless at least 20% of Montana product is used to produce ethanol at the facility in the first year of production, 25% of Montana product is used the second year, and the amount of Montana product used each year thereafter must increase by 10% annually. Each ethanol distributor may not receive the tax incentive payments exceeding \$2 million in any consecutive 12-month period. Total payments may not exceed \$6 million in any consecutive 12-month period. (Reference [MCA 15-70-522](#))

### **Biodiesel Tax Credit**

A tax credit is available to businesses and individuals for up to 15% of the cost of storage and blending equipment used for blending biodiesel with petroleum diesel for sale. The amount of the credit may not exceed \$52,500 for a special fuel distributor and \$7,500 for an owner or operator of a motor fuel outlet. The credit can be claimed in the two tax years before the year in which the taxpayer begins blending biodiesel for fuel or sale. (Reference [House Bill 166](#), 2007, and [MCA 15-32-703](#))

A licensed distributor who pays the special fuel tax on biodiesel may claim a refund equal to \$0.02 per gallon of biodiesel sold during the previous quarter if the biodiesel is created entirely from biodiesel components produced in Montana. The owner or operator of a retail motor fuel outlet may claim a refund equal to \$0.01 per gallon of biodiesel purchased from a licensed distributor if the biodiesel is created entirely from biodiesel components produced in Montana. (Reference [MCA 15-70-433](#))

### **Biodiesel Production Facility Tax Credit**

A tax credit is available to businesses and individuals for up to 15% of the cost of constructing and equipping a facility to be used for biodiesel or bio-lubricant production. The credit must be claimed in the tax year in which the facility begins production, and the facility must be in operation before January 1, 2015. Additionally, a tax credit is available for property used primarily to crush oilseed crops for purposes of biodiesel production. (Reference [House Bill 166](#), 2007, and [MCA 15-32-701](#) and [15-32-702](#))

### **Biodiesel Tax Exemption**

Biodiesel produced from waste vegetable oil feedstock is exempt from the special fuel tax when

2500 gallons or less is produce annually and used exclusively for personal use by a special biodiesel fuel producer. (Reference MCA 15-70-401 and 15-70-405)

**Alternative Fuel Vehicle Conversion Tax Credit**

An income tax credit is available to businesses or individuals for up to 50% of the equipment and labor costs for converting vehicles to operate on alternative fuels. The maximum credit is \$500 for the conversion of vehicles of 10,000 pounds (lbs.) or less Gross Vehicle Weight Rating (GVWR) and \$1,000 for vehicles over 10,000 lbs. GVWR. The credit must be applied in the year the conversion is made, and the seller of an alternative fuel may not receive a credit for converting their own vehicles to operate on the alternative fuel they sell. (Reference [MCA 15-30-2320](#)).

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.2925/gallon	B100 is taxable	Subject to the Clean-up Fee	\$0.315/gallon	Ethanol is taxable	Subject to the Clean-up Fee

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is taxed as diesel fuel. The tax rate is \$0.2995/gallon. Sales to licensed distributors are tax free.	Ethanol is included in the statutory definition of gasoline fuel and taxed as gasoline. The tax rate is \$0.315/gallon. Sales to licensed distributors are tax free.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$0.000583 per cubic foot	<p>a) The total tax due on compressed natural gas is computed according to the formula provided in subsection (2)(b).</p> <p>(b) <math>T = (R/V) \times TV</math>, where:</p> <p>(i) T is the total tax due;</p> <p>(ii) R is 7 cents;</p> <p>(iii) V is 120 cubic feet of compressed natural gas at 14.73 pounds per square inch absolute</p>

		base pressure; and (iv) TV is the total volume of compressed natural gas placed into the supply tank of a motor vehicle.
<b>E85</b>	\$.315/gallon	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	None	
<b>Gasoline Hybrid Vehicles</b>	\$.315/gallon	<b>Not Applicable</b>
<b>Hydrogen</b>	None	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Currently taxed on a Gasoline Gallon Equivalent	
<b>LPG (Liquefied Petroleum Gas)</b>	\$.0518 per gallon	<b>T = (C/G) x TG, where:</b> <b>(i) T is the total tax due;</b> <b>(ii) C is 5.18 cents;</b> <b>(iii) G is 1 gallon of liquefied petroleum gas; and</b>  <b>(iv) TG is the total gallons of liquefied petroleum gas placed into the supply tank of a motor vehicle.</b>
<b>Methanol or "M85"</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

Blendstocks of any kind would be taxed in Montana when blended with gasoline or special fuel.

**Section 14-How does your state handle contaminated fuel?**

**Montana Administrative Rule [18.15.409](#) LOST OR DESTROYED GASOLINE, SPECIAL FUEL, OR AVIATION FUEL**

(1) The department of transportation reserves the right to demand from a person claiming a refund under the provisions of [15-70-425](#) through [15-70-434](#), MCA, that positive proof be submitted of the exact amount of the loss and facts indicating the gasoline, special fuel, or aviation fuel was never used on the highway or in the air. In offering this proof, the following procedures must be strictly adhered to by the person claiming the refund:

(a) The claim for refund must accompany the original invoice covering the purchase of gasoline, special fuel, or aviation fuel.

(b) A notarized statement citing the circumstances covering the loss and how the amount of gasoline, special fuel, or aviation fuel lost was determined.

(c) Substantiating records must be available to reveal and account for the amount of gasoline, special fuel, or aviation fuel lost.

(d) Affidavits from individuals witnessing or involved in the loss of gasoline, special fuel, or aviation fuel must be obtained and available to the department.

(2) The distributor may not claim a refund for the petroleum cleanup fee.

**Section 15-Does your state allow bad debt credits?**

Yes. A distributor is entitled to a credit for the tax paid to the department on those sales of gasoline or special fuel with a tax liability of \$200 or greater for which the distributor has not received consideration from or on behalf of the purchaser and for which the distributor has not forgiven any liability. The distributor may not have declared the accounts of the purchaser worthless more than once during a 3-year period, and the distributor must have claimed those accounts as bad debts for federal or state income tax purposes.

(b) If a credit has been granted under this subsection (3), any amount collected on the accounts that were declared worthless must be reported to the department and the tax due must be prorated on the collected amount and must be paid to the department.

(c) The department may require a distributor to submit periodic reports listing accounts that are delinquent for 90 days or more.

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment
Distributor	The 25 <sup>th</sup> of the following month.	Cash or check – On the 25 <sup>th</sup> . If electronically, 5 days after the 25th

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked.

**Section 18-When filing a return electronically, what time is considered timely?  
(Example: 11.59 pm on due date)**

Timely is 11:59 pm on due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The due date becomes the next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
Distributor	\$100 for late filing	10% of tax not paid timely

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 falls under the definition of gasoline. There are no special reporting requirements.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

No

**Section 23-(Tax at the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

No

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

All distributors must post a bond not to exceed twice the average tax due each month. Importers and exporters must post a minimum bond of \$25,000, 15-70-402, MCA. There are no waivers of the bonding requirement.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Montana defines a Distributor in 15-70-401 MCA as:

- (i) a person who engages in the business in this state of producing, refining, manufacturing, or compounding gasoline or special fuel for sale, use, or distribution;
- (ii) an importer who imports gasoline or special fuel for sale, use, or distribution;
- (iii) a person who engages in the wholesale distribution of gasoline or special fuel in this state and chooses to become licensed to assume the Montana state gasoline tax or special fuel tax liability;
- (iv) an exporter.

Montana allows the sale of ex-tax fuel to another licensed distributor within the state. The last licensed distributor in the chain of sale transactions is liable for payment of the tax.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

The distributor needs to only amend what information is changing. If a load was incorrectly reported, an amended return needs to be completed to reverse the entry originally filed, and then a correcting entry to replace the error.

**Section 28-Does your state allow credit and rebills on the current month report?**

Montana has no provision to allow any tax paid late without penalty and interest.

**Section 29-How many days are allowed to report late loads?**

Any loads reported late resulting in an underpayment of tax are subject to penalty and interest.

# STATE OF NEBRASKA

## Section 1-Contact Information

**Agency:** Nebraska Department of Revenue, Motor Fuels Division

**Name:** Marcia Leichner

**Street Address:** 1313 Farnam Street, Suite 100

**City, State Zip Code:** Omaha, NE 68102-1836

**Phone Number:** 402-595-2013

**Fax Number:** 402-595-1041

**E-mail Address:** [Marcia.leichner@nebraska.gov](mailto:Marcia.leichner@nebraska.gov)

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Motor Fuels Statutes are found in [Neb. Rev. Stat. Chapter 66](#)

Aircraft fuel statutes are found in [Neb. Rev. Stat. Chapter 3](#)

Motor fuels regulations can be found at:

[http://www.revenue.nebraska.gov/fuels/legal/fueltax\\_regs.html](http://www.revenue.nebraska.gov/fuels/legal/fueltax_regs.html)

## Section 3-State Point of Taxation

**Gasoline:** Distributor/Wholesaler level

**Diesel:** Distributor/Wholesaler level

**Aviation Fuel:** Distributor/Wholesaler level

**Jet Fuel:** Distributor/Wholesaler level

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver: Not defined.

Point of Taxation: Nebraska taxes at the distributor/wholesale level. Nebraska allows a maximum of two “pass throughs” of the party remitting the tax. This is allowed in the form of an exemption. For example, a licensed supplier can sell tax free to a licensed distributor who remits the tax, or a licensed distributor can sell tax free to a licensed wholesaler who remits the tax. See [Neb. Rev. Stat. § 66-489 \(1\)\(a\)\(iv\)](#)

### **Section 5-State Tax Rates**

<b>Gasoline:</b>	Jan 1, 2017 – Jun 30, 2017	27.3 cents per gallon
	Jul 1, 2017 – Dec 31, 2017	27.0 cents per gallon (subject to change semiannually)
<b>Diesel:</b>	Jan 1, 2017 – Jun 30, 2017	27.3 cents per gallon
	Jul 1, 2017 – Dec 31, 2017	27.0 cents per gallon (subject to change semiannually)
<b>Aviation Fuel:</b>	5.0 cents per gallon	
<b>Jet Fuel:</b>	3.0 cents per gallon	

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

The rate for motor vehicle fuels and diesel fuel is subject to change on a semiannual basis. Effective July 1, 2017, the motor fuels tax decreased to 27.0 cents per gallon.

Under LB 610 passed in the 2015 Legislative session, the fixed tax per gallon will increase by 1.5 cents per gallon each January 1 for four years, beginning January 1, 2016.

### **Section 7-State Collection Allowance**

Nebraska allows the following commission rates:

Motor vehicle fuels and aviation fuel: Nebraska allows a commission of 5% on the first \$5,000 of tax remitted and 2.5% upon all amounts above \$5,000 of tax remitted each period.

Diesel fuel and compressed fuel: Nebraska allows a commission of 2% on the first \$5,000 of tax remitted and .5% upon all amounts above \$5,000 of tax remitted each period.

Effective July 1, 2012, commissions are not allowed on under reported tax assessed on an audit. If an audit determines that tax was over reported, the commission previously claimed on the over reported tax will be deducted from the audit credit.

Commission rates are referenced in the following statutes:

Motor vehicle fuel and diesel: [Neb. Rev. Stat. § 66-486](#)  
Compressed fuel: [Neb. Rev. Stat. § 66-6,113](#)  
Aircraft fuel: [Neb. Rev. Stat. § 3-148](#)

## **Section 8-State Diversion Requirements**

**Diversion Required:** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

Per [Reg 73-009.02](#) A diverted load occurs whenever the bill of lading or other transportation document for the fuel indicates a destination state other than the state to which the fuel is actually delivered.

009.02A Whenever the bill of lading or other transportation document indicates a destination state other than Nebraska and the fuel is subsequently delivered to Nebraska, the liquid fuel carrier must register the diverted load and obtain a delivery permit number for the resulting diverted load prior to delivering the fuel.

**What diversion registry program do you use?** Trac III Systems, LLC

**What products are subject to the diversion requirement?**

Motor vehicle fuels, aircraft fuels, and diesel fuel (including biodiesel and dyed diesel)

**Diversion Requirements**

A diversion permit must be obtained prior to delivering the diverted fuel whenever the bill of lading indicates a destination state other than the state to which the fuel was delivered.

**What party should apply for the refund if applicable? (Supplier, customer, etc.)**

Since Nebraska is a distributor state, tax would only be refunded or credited if the fuel was exported. In such instances, the licensee (exporter) would report a tax-paid purchase and export on the Nebraska return. If not licensed in Nebraska, a refund claim would need to be filed by the exporter.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** See response above.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** See response above

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

**State Incentives**

### **Biodiesel Production Investment Tax Credit**

Investors in Nebraska biodiesel production facilities are eligible to receive an income tax credit of up to 30% of the amount invested in the facility, not to exceed \$250,000 of credit per taxpayer. The credit is only available for facilities that produce B100, perform all processing in Nebraska, and are at least 51% owned by Nebraska individuals or entities. The tax credit may be reclaimed if the biodiesel production facility remains in operation for less than three years. The credit is available for investments made after January 1, 2008, and before January 1, 2015. (Reference [Neb. Rev. Stat. § 77-27,236](#)).

### **Alternative Fuel Vehicle (AFV) and Fueling Infrastructure Loans**

The Nebraska Energy Office administers the Dollar and Energy Saving Loans Program. The Program makes low-cost loans available for a variety of alternative fuel projects, which include the following: the replacement of conventional vehicles with AFVs; the purchase of new AFVs; the conversion of conventional vehicles to operate on alternative fuels; and the construction or purchase of a fueling station or equipment. The maximum loan amount is \$500,000 and the interest rate is 5% or less. (Refer to the [Nebraska Energy Office](#) website for additional information.)

### **Clean-Burning Motor Vehicle Fuel Property Rebate**

LB 581 passed by the 2015 Legislature established a rebate for qualified clean-burning motor vehicle fuel property. The rebate program is administered by the Nebraska Energy Office. Rebates are available on the purchase of clean-burning vehicles and for the purchase and installation of equipment to convert vehicles to operate on clean-burning fuel. Purchases made on or after January 4, 2016, are eligible for the lesser of \$4,500 or 50 percent of the cost of purchase and installation of such equipment. The purchase and installation of property for dispensing natural gas is also eligible for rebates of the lesser of \$2,500 or 50 percent of the costs. Rebates are subject to the availability of funds.

### **Alternative Fuel Tax Refund**

The Motor Fuel Tax Enforcement and Collection Division of the Department of Revenue will refund taxes paid on compressed fuel when used to operate buses capable of carrying seven or more passengers within or near a municipality. (Reference [Neb. Rev. Stat. § 66-6,109.01](#))

### **Alternative Fuel Vehicle Registration Fee**

Nebraska requires any person who operates a motor vehicle powered by an alternative fuel on state highways to pay a registration fee. Alternative fuels include electricity, solar power, and any other source of energy not otherwise taxed under the motor fuels tax laws. Liquefied petroleum gas and compressed natural gas are not included; these fuels are subject to excise taxes imposed under the Compressed Fuel Tax Act. The \$75 fee is collected by the Nebraska Department of Motor Vehicles at the time of vehicle registration. (Reference [Neb. Rev. Stat. §§ 66-306](#) and [60-3,191](#))

### **Alternative Fuel Tax**

The Compressed Fuels Act applies to all compressed fuels, including liquefied petroleum gas (LPG), compressed natural gas (CNG), and liquefied natural gas (LNG) and states that an excise tax of \$0.085 per gallon or gallon equivalent is imposed on all compressed fuel sold for use in

registered motor vehicles. Additionally, each retailer of such fuel shall pay an excise tax of \$0.048 per gallon or gallon equivalent on all compressed fuel sold for use in registered motor vehicles. These rates are effective January 1, 2017. Additional variable taxes, subject to change on January 1 and July 1 as specified under these statutes, also apply. ([Neb. Rev. Stat. §§ 66-697 through 66-6,116](#))

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.273/gallon effective 1/1/17 (\$0.270/gallon effective 7/1/17)	B100 is taxable	Subject to the Environmental Fee	\$0.273/gallon effective 1/1/17 (\$0.270/gallon effective 7/1/17)	Ethanol is taxable	Subject to the Environmental Fee

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Ethanol</b>	<b>Biodiesel</b>
Ethanol produced for use as a blending component is included in the statutory definition of motor vehicle fuel and is taxed like gasoline. Effective Jan 1, 2017, the tax rate is \$0.273/gallon. On July 1, 2017, the tax will be \$0.270/gallon. Ethanol is also subject to petroleum release remedial action fee (PRF) at a rate of \$0.009/gallon. Sales by a NE licensed producer to a NE licensed distributor may be tax free. Imports by a licensed distributor placed in storage are subject to tax. Tax-free sales by the distributor from the tax-paid storage are addressed on the distributor return.	B100 is included in the statutory definition of diesel fuel and is taxed like diesel. Effective Jan 1, 2017, the rate is \$0.273/gallon. On July 1, 2017, the tax will be \$0.270/gallon. B100 is also subject to PRF at a rate of \$0.003/gallon. Sales to a licensed distributor may be tax free. Imports by a licensed distributor placed in storage are subject to tax. Tax-free sales by the distributor from the tax-paid storage are addressed on the distributor return.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas) *</b>	Yes (same rate as mvf and diesel)	5.660 pounds (2.567 kg) = 1 GGE. This is based upon the <a href="#">National Institute of Standards and Technology Handbook 130</a> .

<b>E85</b>	Yes (same rate as mvf and diesel)	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	Yes - \$75 fee per vehicle - collected by Department of Motor Vehicles	
<b>Gasoline Hybrid Vehicles</b>	Yes (gasoline portion taxed)	<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas) *</b>	Yes (same rate as mvf and diesel)	6.06 pounds = 1 DGE
<b>LPG (Liquefied Petroleum Gas) *</b>	Yes (same rate as mvf and diesel)	
<b>Methanol or “M85”</b>	Taxable if blended with motor fuels or placed directly into the supply tank of a licensed motor vehicle.	<b>Not Applicable</b>
<b>Other</b>	Fuel additives used to enhance engine performance, prevent fuel line freezing or clogging are not taxable if placed directly into the supply tank of a motor vehicle in quantities of one quart or less.	<b>Not Applicable</b>

\* Included in our definition of compressed fuel, which also includes butane, and any other type of compressed gas or compressed liquid suitable for fueling a motor vehicle.

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
See comment below		

Any product that is blended with either gasoline or undyed diesel for use in a licensed motor vehicle is taxable at the same rate as the gasoline and diesel.

**Section 14-How does your state handle contaminated fuel?**

If you owned Nebraska tax-paid fuel that was subsequently destroyed, or accidentally contaminated with another type of fuel, you may file a refund claim. Motor fuels tax will not be

refunded on undyed diesel which was intentionally mixed with dyed diesel. See [Nebraska Non-Ag Use Motor Fuels Tax Refund Claim, Form 84](#).

**Section 15-Does your state allow bad debt credits?**

No. In consideration of receiving the commission, the producer, supplier, distributor, wholesaler, or importer shall not be entitled to any deductions, credits, or refunds arising out of such producer's, supplier's, distributor's, wholesaler's, or importer's failure or inability to collect any such taxes from any subsequent purchaser of motor fuels.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Nebraska Monthly Fuels Tax Return, Form 73	20 <sup>th</sup> day of the month following the close of the reporting month *	Same **
Nebraska Ethanol and Biodiesel Producer's Return, Form 83	20 <sup>th</sup> day of the month following the close of the reporting month *	Same **
Nebraska Motor Fuels Terminal Operator Report, Form 87	20 <sup>th</sup> day of the month following the close of the reporting month *	N/A
Nebraska Compressed Fuel Retailer Return, Form 86	20 <sup>th</sup> day of the month following the close of the reporting tax period *	Same **
Nebraska Motor Fuels Use Tax Return, Form 74	20 <sup>th</sup> day of the month following the close of the reporting tax period *	Same **

\* Returns are considered timely filed if electronically transmitted on or before the 20<sup>th</sup> day of the month following the close of the reporting period. If the due date falls on a Saturday, Sunday, or legal holiday, the return will be considered timely filed if transmitted on or before the next business day following the 20<sup>th</sup>.

\*\* To be considered timely, an EFT tax payment must be initiated on or before 5:00 p.m. Central Time on the timely filed date, and the scheduled payment date must be no later than the first business day following the timely filed date.

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Yes, if a taxpayer is allowed to pay by check, we consider the payment timely if it is post-marked or hand-delivered to the Department by the due date.

**Section 18-When filing a return electronically, what time is considered timely?  
(Example: 11.59 pm on due date)**

To be considered timely filed, an electronic return must be transmitted before midnight on the due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

If the due date falls on a Saturday, Sunday, or legal holiday, the return will be considered timely filed if transmitted on or before the next business day following the 20<sup>th</sup>.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
All motor fuel tax returns and reports	A penalty of \$50 will be imposed on returns filed within 10 days after the due date. An additional penalty of \$100, or 10% of the unpaid tax, whichever is greater, will be imposed on the 11th day after the due date.	A penalty of \$50 will be imposed on returns filed within 10 days after the due date. An additional penalty of \$100, or 10% of the unpaid tax, whichever is greater, will be imposed on the 11th day after the due date.

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is treated the same as gasoline, E10, etc. for tax purposes. Since all such products have the same tax impact, Nebraska does not monitor the exact ethanol/gasoline blend. Nebraska also accepts product code 124 for all ethanol/gasoline blends.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Although carriers must be licensed and obtain diversion permits as needed, they are **not** required to file returns.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

N/A – Nebraska is a distributor/wholesaler state.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Gasoline, gasohol, and ethanol are not subject to sales tax. Diesel fuels are subject to sales tax when sold for uses other than to propel a vehicle. The sales tax rate is the state sales tax rate in effect plus any applicable city tax. The sales tax rate is applied to the dollar amount of the sale. For more information, see [Reg 1-089 Energy Source Utility Exemption](#).

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Nebraska requires that all new licensees maintain a surety bond for the first year of their license. The security must be in the form of a bond issued by a surety company licensed and authorized to do business in Nebraska. The bonding requirements apply independently to specific tax programs:

- 1) The amount of the motor fuels bond must equal at least three times the anticipated monthly motor fuels tax liability, with a minimum bond amount of \$20,000;
- 2) An aircraft fuels license requires a surety bond equal to at least three times the anticipated monthly aircraft fuels tax liability, with a minimum bond of \$10,000; and
- 3) Compressed fuel retailers are required to have a minimum bond of \$1,000.

There is no bonding requirement for the Nebraska PRF program or Liquid Fuel Carrier license.

During the initial year of a license, the account is monitored to ensure the appropriate bonding level is maintained. If, after that first year, the account is found to be in good standing, the surety bond may be canceled. However, if the account is not in good standing or reported liabilities materially exceed the bond, an extension or increase in the bond may be required.

Nebraska also maintains a cash bond fund that licensees have contributed to, which is available to reimburse the highway fund if a taxpayer no longer has a surety bond and if collection is improbable. Accounts must be delinquent for at least 90 days. See [Neb. Rev. Statute §§ 66-733 to 66-736](#).

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Nebraska licenses taxpayers in the fuel chain in the following order: producers, suppliers, distributors, importers, wholesalers, exporters, and retailers. If a taxpayer operates at multiple levels in the chain, they will be licensed at the highest level. For example, if a taxpayer operates as a supplier, distributor, importer, and retailer, Nebraska will license them as a supplier. As stated earlier in Section 4, Nebraska allows up to two pass-throughs of the party that must remit the tax. This results in the distributor or wholesaler usually being the party that must remit the tax to the state.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Nebraska requires only the information that is changing be amended. Nebraska will accept, however, the entire amended return.

**Section 28-Does your state allow credit and rebills on the current month report?**

Yes.

**Section 29-How many days are allowed to report late loads?**

Late loads must be reported on the following month's return to avoid any penalty. Interest will still apply. Nebraska allows prior period transactions to be reported on the current month's return as long as they are within the statutory period for filing an amended return (3 years). We have software companies that may limit the period of time for accepting prior period adjustments, however. We will move the transactions back to the appropriate month and bill for any interest and penalty due. Again, if transactions are reported by the due date of the next month's return (delayed only one month), for ex. April transactions being reported on the current May return, there is interest, but no penalty due.

# STATE OF NEVADA

## Section 1-Contact Information

**Agency:** Nevada Dept. of Motor Vehicles-Motor Carrier Division

**Name:** Karen Stoll

**Street Address:** 555 Wright Way

**City, State Zip Code:** Carson City, NV 89711

**Phone Number:** (775) 684-4610 or (775) 684-4617

**Fax Number:** (775) 684-4619

**E-mail Address:** kstoll@dmv.nv.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Nevada Revised Statutes Chapters 360A, 365 and 366. The Administrative Codes are covered in NAC 360A, 365 and 366. County taxes are covered by NRS 373 and Inspection and Cleanup Fees are covered in NRS 590.

## Section 3-State Point of Taxation

**Gasoline:** Sales made to end user or retailer. Sales between licensed suppliers are tax-free

**Diesel:** Sales made to end user or retailer. Sales between licensed suppliers are tax-free

**Aviation Fuel:** Sales made to end user or retailer. Sales between licensed suppliers are tax-free

**Jet Fuel:** Sales made to end user or for self-consumption. Sales between licensed suppliers are tax-free

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

**First Receiver-:** The company that imports fuel into the state, either through pipeline or by truck.

Point of Taxation: The sale made to the end user or a retailer. Sales between licensed suppliers are tax-free.

### **Section 5-State Tax Rates**

**Gasoline:** \$0.23 per gallon; counties are able to impose county option taxes. 2 counties have enacted indexing based upon the PPI (Producer Price Index). In addition, 1 county also indexes its fuel taxes based upon the CPI (Consumer Price Index), in addition to the PPI indexing.

**Diesel:** \$0.27 per gallon

**Aviation Fuel:** \$0.02 per gallon; counties are able to impose county option taxes up to 8 cents per gallon.

**Jet Fuel:** \$0.01 per gallon

Counties are able to enact county option taxes up to 4 cents per gallon.

### **Section 6-Rate Updates**

Please list any rate updates for your state: The 2017 Legislative Session did not pass any rate increases.

### **Section 7-State Collection Allowance**

All licensed companies are allowed a 2% collection allowance for timely filing.

### **Section 8-State Diversion Requirements**

**Diversion Required**

No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use? N/A**

**What products are subject to the diversion requirement? N/A**

**Diversion Requirements N/A**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

**Section 9-Alternative Fuels Incentives and Laws**

Nevada is the proud home of the Las Vegas Regional, Inc. ([www.lasvegascleancities.org](http://www.lasvegascleancities.org)), and the Truckee Meadows, Inc. Clean Cities Coalitions. Coordinator contact information is listed in the Points of Contact section.

**State Incentives**

There are currently no known State incentives offered in Nevada

**Alternative Fuel Tax**

Special fuels other than diesel have a reduced special fuels tax: Liquefied petroleum gas (LPG) used to operate a motor vehicle is taxed at a rate of \$0.0640 per gallon, and compressed natural gas (CNG) used to operate a motor vehicle is taxed at a rate of \$0.21 per gallon and liquefied natural gas (LNG) is taxed at the rate of \$0.27 per gallon. For the purpose of taxing the sale or use of LPG, or CNG, 125 cubic feet of CNG or 36.3 cubic-feet (or 4.2 pounds) of LPG is considered equal to one gallon of special fuel. For the purpose of taxing the sale or use of CNG, 126.67 cubic feet of CNG or 5.660 pounds of natural gas shall be deemed to equal 1 gallon of special fuel. For the purpose of taxing the sale of use of LNG, the fuel should be dispensed at 6.06 lbs. per gallon. (Reference Nevada Revised Statutes 366.190 and 366.197)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.27/gallon-taxed as a special fuel	Not taxed as motor fuel	Subject to the Petroleum Clean-up Fee at time of importation	\$0.23/gallon (state tax) when blended. County taxes also apply.	Taxed when blended	Subject to Cleanup and Inspection Fees at time of importation

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$0.27/gallon. Sales to licensed distributors are tax free. If fuel is dyed, there are no excise taxes. Subject to	Ethanol is treated like gasoline, is taxed upon blending. The tax rate is \$0.23/gallon. Subject to Cleanup and Inspection Fees at time of importation.

Cleanup Fee at time of importation and/or refining.	County taxes also apply. Can be sold tax free to other distributors.
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**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Y	126.67 cubic feet or 5.660 pounds of natural gas shall be deemed to equal 1 gallon of special fuel
E85	Y	Not Applicable
Electric Vehicles/Electricity		Not Applicable
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	Y	6.06 lbs. = 1 gallon of special fuel
LPG (Liquefied Petroleum Gas)	Y	36.3 cubic feet (or 4.2 pounds) of LPG shall be deemed to equal 1 gallon of special fuel
Methanol or “M85”	Yes, when blended	Not Applicable
Other		Not Applicable

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable
Ethanol, methanol, transmix, when blended	\$0.23 plus county taxes	Y
Any other products when blended	\$0.23 plus county	Y

**Section 14-How does your state handle contaminated fuel?**

Suppliers have to pay all applicable taxes and fees. The 2% collection allowance is used to cover these types of instances. Taxes and fees are also due if a load of fuel is lost due to an accident, etc.

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Supplier Tax Return	Month end	Month end

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

If a payment is made by check, the postmark date is considered to be the received date.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

The suppliers/dealers have until 11:59 PM of the due date to file and pay their taxes and be considered to be timely filed.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

The company loses its 2% collection allowance and penalty and interest are assessed on the gross amount of taxes due. If a supplier/dealer is considered to be habitually delinquent, it will increase the amount of bond necessary to secure its account with the state.

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Supplier Tax Return	10%	10%

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Regardless of the percentage of blend, the fuel is taxed at the same rate as gasoline, there are no incentives to allow for a lower tax rate.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes, transporters must report all movements of fuel, into the state, out of the state and all movements with the state.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Nevada does not have a sales tax on motor fuels and special fuels.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

All suppliers must post at least a minimum of a \$2,000 bond, for “zero” filers. Bonds are based upon the taxable sales; a supplier must post a bond to cover three (3) months of taxable sales. If determined to be habitually delinquent, must then post a bond at five (5) times.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Suppliers  
Dealers  
Exporters as applicable

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Only the information that is changing.

**Section 28-Does your state allow credit and rebills on the current month report?**

Yes

**Section 29-How many days are allowed to report late loads?**

Only loads one (1) month old. Older than one (1) month will need to be reported on a hard copy amended return.

# STATE OF NEW HAMPSHIRE

## Section 1-Contact Information

**Agency:** Department of Safety

**Name:** Scott R. Bryer

**Street Address:** 33 Hazen Drive

**City, State Zip Code:** Concord, NH 03305

**Phone Number:** 603 223-8081

**Fax Number:** 603 271-6758

**E-mail Address:** Scott.Bryer@dos.nh.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Revised Statutes Annotated:

Motor Vehicle Road Tolls Chapter 260:30 -260:65-e  
<http://www.gencourt.state.nh.us/rsa/html/XXI/260/260-mrg.htm>

Statutory Definitions:  
<http://www.gencourt.state.nh.us/rsa/html/XXI/259/259-mrg.htm>

Administrative Rules:  
[http://www.gencourt.state.nh.us/rules/state\\_agencies/saf-c300.html](http://www.gencourt.state.nh.us/rules/state_agencies/saf-c300.html)

## Section 3-State Point of Taxation

### Road Toll (Motor Fuel Tax)

**Gasoline:** Distributor (Last Licensee)

**Diesel:** Distributor (Last Licensee)

**Aviation Fuel:** Distributor (Last Licensee)

**Jet Fuel:** Distributor (Last Licensee)

**Environmental Fees**

**Gasoline:** First Import  
**Diesel:** First Import  
**Aviation Fuel:** First Import  
**Jet Fuel:** First Import

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver:-

Point of Taxation: 260:36 Application for License; Licensing of Distributors

**Section 5-State Tax Rates**

**Road Toll and Environmental Fees (Per Gallon)**

Product Type Law Reference>>>	Road Toll*** <u>RSA 260:32</u>	Airway Tolls <u>RSA 422:34</u>	ODD <u>RSA 146-D</u>	OPC <u>RSA 146-A</u>	Auto Oil <u>RSA 147-B:12</u>	Motor Oil <u>RSA 146-F</u>	Fuel Oil <u>RSA 146-E</u>	Total Toll & Fees
Gasoline	\$0.222		\$0.015	\$0.00125				\$0.23845
Special Fuel - Undyed	\$0.222		\$0.015	\$0.00125				\$0.23845
Special Fuel - Dyed			\$0.015	\$0.00125				\$0.01625
Biodiesel *	\$0.222		\$0.015	\$0.00125				\$0.23845
Aviation Gas		\$0.04	\$0.015	\$0.00125				\$0.05625
Jet Fuel - Part 121		\$0.005		\$0.00125				\$0.00625
Jet Fuel - Private		\$0.02		\$0.00125				\$0.02125
Heating Oils **				\$0.00125			\$0.0125	\$0.01375
Motor Oils				\$0.00125	\$0.02	\$0.04		\$0.06125

\* B99 up to B100 are not subject to environmental fees; blends below B99 are.

\*\* Fuel Oil Discharge Fee increased to \$0.0125 effective 7/1/2013

\*\*\*Prior to 7/1/2014, the Road Toll was \$0.18.

## **Section 6-Rate Updates**

**Please list any rate updates for your state:**

No rate changes in 2017.

## **Section 7-State Collection Allowance**

None

## **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

**What products are subject to the diversion requirement?**

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**  
State will not refund customer only the licensed distributor.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**  
Yes.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

New Hampshire is the proud home of the Granite State Clean Cities Coalition ([www.granitestatecleancities.org](http://www.granitestatecleancities.org)). Coordinator contact information is listed in the Points of Contact section.

**State Incentives**

There are currently no known State incentives offered in New Hampshire

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.222/gallon	B100 is taxable	Subject to the Oil Discharge Fee and the Oil Pollution Fee	\$0.222/gallon	Ethanol is taxable	Subject to the Oil Discharge Fee and the Oil Pollution Fee

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$0.222/gallon. Sales to licensed distributors are tax free. Dyed B100 is not reportable.	Ethanol is treated like gasoline. The tax rate is \$0.222/gallon. Can be sold tax free to other registered distributors.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Yes	<b>\$0.222 per Gasoline Gallon Equivalent (126.67 cubic feet or 5.66 pounds)</b>
<b>E85</b>	Yes, but it is not readily available in the State.	<b>\$0.222 per gallon</b>
<b>Electric Vehicles/Electricity</b>	No	<b>Not Applicable</b>
<b>Gasoline Hybrid Vehicles</b>	No	
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Yes	<b>\$0.222 per Diesel Gallon Equivalent (1.88 gallons or 6.06 pounds)</b>
<b>LPG (Liquefied Petroleum Gas)</b>	Yes	<b>\$0.222 per Gasoline Gallon Equivalent (1.35 gallons)</b>
<b>Methanol or “M85”</b>	Yes, but it is not readily available in the State	<b>\$0.222 per gallon</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable

**Section 14-How does your state handle contaminated fuel?**

NH RSA 260:38 paragraph II states: “The department shall allow, upon proper proof, any losses due to any catastrophe or extraordinary circumstances. A licensed distributor shall report immediately to the road toll administration any losses sustained by the distributor through fire, accident, or unavoidable calamity, in order that the road toll administration may make any investigation it may deem necessary. In such cases, the distributor shall not delay reporting the loss until the filing of the next monthly report. Failure to report any losses promptly may result in the refusal of the road toll administration to allow credit for such losses against the distributor's road toll liability.”

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment
Monthly Distributor Report (MFD 1)	20 <sup>th</sup> of the day of each calendar month	20 <sup>th</sup> of the day of each calendar month
Monthly Motor Fuel & Petroleum Products Report (RT 113)	20 <sup>th</sup> of the day of each calendar month	20 <sup>th</sup> of the day of each calendar month
Monthly Oil Discharge & Pollution Control Report (RT 51)	20 <sup>th</sup> of the day of each calendar month	20 <sup>th</sup> of the day of each calendar month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked or date electronically filed.

**Section 18-When filing a return electronically, what time is considered timely?  
(Example: 11.59 pm on due date)**

At 11:59 pm on due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

First business day after the weekend (i.e. Monday) or holiday.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Monthly Distributor Report (MFD 1)	10% of the amount due or if nothing is due \$1 for each day late.	10% of the amount due and interest at 0.42% per month or 5% annual rate.
Monthly Motor Fuel & Petroleum Products Report (RT 113)	\$500 or \$10 per unreported delivery whichever is greater.	Not applicable.
Monthly Oil Discharge & Pollution Control Report (RT 51)	10% of the amount due or if nothing is due \$1 for each day late.	10% of the amount due and interest at 0.42% per month or 5% annual rate.

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is not readily available in our state however we it would be tax at the same rate as gasoline.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes they are require to license and file a monthly Motor Fuel and Petroleum Products transporter Report (RT 113) See RSA 260:42 below.

**RSA 260:42 Motor Fuel and Petroleum Products Transporter.** – Every person not registered as a distributor who transports motor fuel or products subject to the fees stipulated in RSA 146-A, to a point or points outside the state from a point or points within the state, to a point or points within the state from a point or points outside the state, or to a point or points within the state from a point or points within the state, every common carrier or contract carrier who transports motor fuel or petroleum products, and every licensed distributor who transports motor fuel or petroleum products exclusive of the carrier's own product shall be licensed with the commissioner as a motor fuel and petroleum products transporter.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

Not applicable we tax at the Distributor level (last licensee).

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

No the State of New Hampshire does not impose a sale tax.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

**260:37 Bond Required of Licensed Distributor. –**

I. (a) Every distributor shall file with the department a bond:

(1) In an amount equal to approximately 2 times the monthly road toll liability of the distributor, but not less than \$10,000, on a form to be approved by the commissioner;

(2) With a surety company authorized to engage in business with the state as surety thereon;

(3) Upon which such distributor shall be the principal obligor and the state of New Hampshire shall be the obligee;

(4) Conditioned upon the prompt filing of true reports and the payment by the distributor of all motor vehicle road tolls which are imposed and which are to be collected under this subdivision, together with all penalties and interests thereon, and generally upon faithful compliance with the provisions of this subdivision.

(b) Changes in the monthly road toll liability level shall also require the bond amount to be adjusted so as to comply with this section.

(c) Annually, or sooner, the department shall review the distributor's average liability based on the prior 6 months' road toll returns and, if applicable, notify the distributor of the required adjustment in the level of the bond. Failure to comply with the adjustment or to maintain the bond at the required level shall result in the cancellation of the license.

II. Any surety on any bond furnished by any distributor as above provided shall be released and discharged from any and all liability accruing on the bond after the expiration of 60 days from the date upon which such surety shall have filed with the commissioner a written request to be released and discharged.

III. In lieu of furnishing a bond executed by a surety company, a distributor may deposit with the state treasurer cash or obligations of the United States or obligations of any federal agency fully guaranteed by the United States or bonds of the state of New Hampshire to the amount of the bond required by this section.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Motor Fuel Distributor (Last Licensee)

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

When amending returns, the licensees are instructed to only report the information necessary to make the originally filed return correct.

**Section 28-Does your state allow credit and rebills on the current month report?**

New Hampshire would only want to see this if they billed the wrong customer or the product code.

**Section 29-How many days are allowed to report late loads?**

An amended return must be filed in the month the load was delivered in order to report the load late.

# STATE OF NEW JERSEY

## Section 1-Contact Information

**Agency:** Division of Taxation

**Name:** Jack Griffiths

**Street Address:** 50 Barrack St.

**City, State Zip Code:** Trenton, NJ 08695

**Phone Number:** 609-633-8536

**Fax Number:** 609-292-2863

**E-mail Address:** Jack.Griffiths@treas.nj.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

54:39-101 et.al

## Section 3-State Point of Taxation

**Gasoline:** Terminal

**Diesel:** Terminal

**Aviation Fuel:** Terminal

**Jet Fuel:** Terminal

## Section 4-State Tax Rates

**Gasoline:** 10.5 cents per gallon plus a changing rate per gallon PGRT

**Diesel:** 13.5 cents per gallon plus a changing rate per gallon PGRT

**Aviation Fuel:** 10.5 cents per gallon plus .04 cents per gallon PGRT plus .02 cents per gallon Airport Safety Tax

**Jet Fuel:** 13.5 cents per gallon plus .04 cents per gallon PGRT plus .02 cents per gallon Airport Safety Tax

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver-:

Point of Taxation:

N.J.S.A. 54:39-104

The tax imposed on the use of motor fuel and aviation fuel shall be measured by invoiced gallons of fuel removed, other than by a bulk transfer, from the terminal transfer system within New Jersey, from the terminal transfer system outside New Jersey for delivery to a location in New Jersey as represented on the shipping papers, provided that the supplier imports the motor fuel or aviation fuel for the account of the supplier, or the supplier has made a tax precollection election, and upon sale in a terminal or refinery in New Jersey to a person not holding a supplier's or permissive supplier's license.

**Section 6-Rate Updates**

**Please list any rate updates for your state:**

The PGRT rates for gasoline and diesel have been changed and may continue to change on a quarterly basis going forward.

**Section 7-State Collection Allowance**

None

**Section 8-State Diversion Requirements**

**Diversion Required** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

**What products are subject to the diversion requirement?**

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

The customer should apply for a refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No rebilling or credit is required.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** No

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

### **High Occupancy Vehicle (HOV) Lane Exemption**

New Jersey Turnpike Authority (NJTA) allows hybrid electric vehicles (HEVs) and alternative fuel vehicles (AFVs) to travel in the HOV lanes on the New Jersey Turnpike. Permitted AFVs must operate on electricity, methanol, ethanol, natural gas, liquefied petroleum gas, hydrogen, coal derived liquid fuels, or fuels derived from biological materials. Any other federally approved AFVs are also permitted to utilize the NJTA's HOV lanes. For a complete list of eligible HEVs see the [New Jersey Turnpike Authority](#) Web site.

### **Zero Emissions Vehicle (ZEV) Tax Exemption**

ZEVs sold, rented, or leased in New Jersey are exempt from state sales and use tax. This exemption is not applicable to partial zero emission vehicles, including hybrid electric vehicles. For a list of qualifying ZEVs, see the [New Jersey Department of the Treasury](#) Web site. (Reference [New Jersey Statutes](#) 54:32B-8.55)

### **Idle Reduction Technology Grant**

The New Jersey Trucker's Challenge, established by the New Jersey Department of Environmental Protection, provides funding for the purchase or installation of idle reduction equipment used in New Jersey-based heavy-duty diesel trucks. Eligible equipment includes auxiliary power units (APUs), bunk heaters and tailpipe emissions controls such as diesel particulate filters (DPF) and diesel oxidation catalysts (DOC). The reimbursement amounts may include the purchase and installation costs and are as follows:

<b>Device(s)</b>	<b>Cost Coverage</b>	<b>Funding Ceiling</b>
APU	50%	\$4,500
Bunk Heater	50%	\$750
DPF or DOC and APU or Bunk Heater	100% of APU or bunk heater	\$17,000 for DPF or DOC

The initial funding for this program was provided by the State of New Jersey and the U.S. Environmental Protection Agency. The program is administered by the New Jersey Motor Truck Association (NJMTA). For more information on the Trucker's Challenge, see the [NJMTA](#) Web site.

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.135/gallon	B100 is taxable	Subject to the Petroleum Products Gross Receipts Tax	\$0.105/gallon	Ethanol is taxable	Subject to the Petroleum Products Gross Receipts Tax

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
Biodiesel is taxed as a fuel and is subject to all licensing requirements.	Ethanol is taxed as a fuel and subject to all licensing requirements.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Not subject to motor fuels tax.	
<b>E85</b>	Yes	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	Not subject to motor fuels tax	
<b>Gasoline Hybrid Vehicles</b>	Yes	<b>Not Applicable</b>
<b>Hydrogen</b>	Not subject to motor fuels tax	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Not subject to motor fuels tax	
<b>LPG (Liquefied Petroleum Gas)</b>	Yes	
<b>Methanol or “M85”</b>	Yes	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>


**Section 14-How does your state handle contaminated fuel?**

N.J.S.A. 54:31-112 b. (6) - Motor fuel on which tax has been paid that is later contaminated in a manner making it unsuitable for taxable use is eligible for a refund or credit. The refund or credit is limited to the remaining portion of taxed fuel in the contaminated mixture and is conditioned upon submitting to the director adequate documentation that the contaminated mixture was subsequently used in an exempt manner.

**Section 15-Does your state allow bad debt credits?**

Pursuant to N.J.S.A. 54:39-121, Qualified Distributors may delay remittance of the tax to their Suppliers until the 20th day of the month following the taxable event. The Supplier must remit to the State the tax due on the 22<sup>nd</sup> day of the month following the event. For a Supplier to be eligible for the credit the Supplier shall provide within 20 business days of the date they were entitled to collect the tax notice to the State of a failure of the Distributor to remit the tax. A Supplier is allowed a credit against their tax payable in the amount of tax liability owed by that Distributor. This includes taxes remitted by the Supplier and not collected from the Distributor. This also includes the amount of tax payable accrued on sales between the date the tax should have been remitted to the Supplier and the date the Supplier notified the State of the default. The Supplier may only take this credit once per Distributor, unless the State notifies the Supplier that the Distributor is qualified once again to make deferred payments of tax.

Pursuant to N.J.S.A. 54:39-137a, a distributor shall be allowed a credit of the Motor Fuel Tax and it should be applied on the report for the period which the bad debt is written off as uncollectible in the claimant’s books and records and is eligible to be deducted for federal income tax purposes. This credit is only available to fuel sold on or after February 1, 2017. However, if the credit allowed is taken and the debt is subsequently collected in whole or in part, any amount collected shall be considered payment for motor fuel, motor fuel tax, and any associated service charges on the account and the portion of the amount collected that constitutes motor fuel tax shall be paid and reported on the report filed for the period in which the collection is made.

Pursuant to N.J.S.A. 54:15B-14, Motor Fuel Tax distributors and holders of a valid Direct Payment Permit for the Petroleum Products Gross Receipts Tax shall be allowed a refund of the Petroleum Products Gross Receipts Tax. Permit holders may also take a deduction on their Petroleum Products Gross Receipts Tax Returns, and the deduction should be applied on the report for the period which the bad debt is written off as uncollectible in the claimant’s books and records and is eligible to be deducted for federal income tax purposes. This refund or deduction is only available to fuel sold on or after February 1, 2017. However, if the refund or deduction allowed is taken and the debt is subsequently collected in whole or in part, any amount collected shall be considered payment for motor fuel, petroleum products gross receipts tax, and any associated service charges reflected on the account, and the proportion of the amount collected that is petroleum products gross receipts tax shall be paid and reported on the report filed for the period in which the collection is made.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Supplier of Motor Fuels	22 <sup>nd</sup> of the month	22 <sup>nd</sup> of the month

Distributor of Motor Fuels	22 <sup>nd</sup> of the month	22 <sup>nd</sup> of the month
Combined Motor Fuels Tax Return	22 <sup>nd</sup> of the month	22 <sup>nd</sup> of the month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked date is used.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

No returns are filed electronically.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next business day

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
Supplier of Motor Fuels	\$100 per month plus 5% per month up to 25% of the tax due.	5%
Distributor of Motor Fuels	\$100 per month plus 5% per month up to 25% of the tax due.	5%
Combined Motor Fuels Tax Return	\$100 per month plus 5% per month up to 25% of the tax due.	5%

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is treated and taxed as gasoline.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes, transporters reports are required. Anyone hauling, transporting or delivering fuel must file.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

The entity selling the fuel over the terminal rack must be licensed and is responsible for the tax.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

New Jersey does not impose a sales tax on gasoline, clear diesel, or dyed diesel.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

N.J.S.A. 54:39-130

A supplier or a permissive supplier shall be required to post a bond of not less than three months' potential tax liability based on the number of taxable gallons handled as estimated by the director, but in no event shall the bond be less than \$25,000 or more than \$2,000,000. An applicant who is a "publicly traded corporation," as that term is defined by section 39 of P.L.1977, c.110 (C.5:12-39) and has assets within the State having a book value of \$5 million or more may, at the discretion of the director, be exempted from having to post a bond under this section.

N.J.S.A.54:39-131

A terminal operator shall be required to post a bond of not less than three months' potential tax liability based on the number of gallons handled as estimated by the director.

N.J.S.A. 54:39-134

A distributor shall post a bond of not less than three months' total liability for the tax imposed by section 3 of P.L.2010, c.22 (C.54:39-103), based on the number of gallons handled as estimated by the director for gasoline and diesel fuel separately. The tax on fuel exported from this State by a licensed distributor shall not be considered part of potential liability for calculation of the bond required of a distributor's licensee.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

The supplier license allows the most activity, followed by the distributor and retail dealer. The supplier is usually responsible for remitting the tax, but in some cases a distributor will import motor fuel and remit the tax themselves. A retail dealer does not remit the tax on gasoline or diesel.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

The entire return should be amended, but only the schedules that changed should be amended.

**Section 28-Does your state allow credit and rebills on the current month report?**

We allow credits and rebills, but not for diversions.

**Section 29-How many days are allowed to report late loads?**

Statutes do not allow for the reporting of late loads.

# STATE OF NEW MEXICO *(Last updated 2016)*

## **Section 1-Contact Information**

**Agency:** New Mexico Taxation & Revenue Department

**Name:** Leslie Montgomery

**Street Address:** 1200 S St Francis Drive or PO Box 630

**City, State Zip Code:** Santa Fe, NM 87504-0630

**Phone Number:** 505-827-9871

**Fax Number:** 505-827-9801

**E-mail Address:** Leslie.Montgomery@state.nm.us

## **Section 2-Statutes and Rules**

**Please give reference to your Statutes and Rules:**

**[www.tax.newmexico.gov](http://www.tax.newmexico.gov)**

Gasoline Tax Act – Article 13

Special Fuels Supplier Tax Act – Article 16A

Petroleum Products Loading Fee – Article 13A

Alternative Fuel Tax – Article 16B

## **Section 3-State Point of Taxation**

**Gasoline:** 1<sup>st</sup> receiver at a New Mexico rack, upon importation may be passed once to a registered NM distributor

**Diesel:** 1st receiver in New Mexico at the rack and upon importation

**Aviation Fuel:** Distributor and end user refunds

**Jet Fuel:** Gross receipts

## **Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver:-

Point of Taxation:

## **Section 5-State Tax Rates**

**Gasoline:** .17 per gallon plus Petroleum Products Loading Fee currently .01875 per gallon

**Diesel:** .21 per gallon plus Petroleum Products Loading Fee currently .01875 per gallon

**Aviation Fuel:** .17 per gallon – refund end user minus 5% compensating tax

**Jet Fuel:** Gross receipts taxable with a 55% deduction

## **Section 6-Rate Updates**

**Please list any rate updates for your state:** See Alternative Fuel information below

## **Section 7-State Collection Allowance**

N/A

## **Section 8-State Diversion Requirements**

### **Diversion Required**

The taxpayer needs to report the diversion on the Combined Fuel Tax return. Request a refund if applicable.

### **If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

New Mexico does not supply diversion numbers.

### **What diversion registry program do you use?**

N/A

### **What products are subject to the diversion requirement?**

All motor fuels reportable on the New Mexico Combined Fuel Tax return.

### **Diversion Requirements**

### **What party should apply for the refund if applicable? (Supplier, customer, etc)**

The taxpayer liable for the excise tax is eligible to apply for a refund.

### **Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

N/A

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load? Yes**

**Any Additional Comments?** Required documentation for a diversion refund is determined on a case by case basis

## **Section 9-Alternative Fuels Incentives and Laws**

New Mexico is the proud home of the Land of Enchantment Clean Cities Coalition. Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

#### **Biodiesel Income Tax Credit – Expired December 31, 2012**

A tax credit against income taxes for each gallon of blended biodiesel fuel sold with a minimum blend of B2. The credit is available January 1, 2007, to December 31, 2012, and will be phased out over that period, as follows: \$0.03 per gallon from January 1, 2007, to December 31, 2010; \$0.02 per gallon from January 1, 2011, to December 31, 2011; and \$0.01 per gallon from January 1, 2012, to December 31, 2012. A biodiesel blending facility tax credit is also available for up to 30% of the purchase cost of equipment plus up to 30% of the cost of installing the equipment. The blending facility tax credit is limited to \$50,000 per facility. (Reference [Senate Bill 463, 2007](#))

#### **Alternative Fuel Vehicle Research and Development Tax Credit**

The Alternative Energy Product Manufacturers Tax Credit provides a credit against combined reporting taxes (gross receipts, compensating, and withholding) for manufacturing alternative energy products, which include hydrogen and fuel cell systems and advanced energy vehicles. The credit is limited to 5% of qualifying expenditures, and manufacturers must fulfill job creation requirements to be eligible. (Reference [Senate Bill 463, 2007](#))

#### **Biofuels Tax**

Under the Gross Receipts and Compensating Tax Act, the value of biomass materials used for processing into biofuels, biopower, or bio-based products may be deducted in computing the compensating tax due. Biofuels include biomass converted to liquid or gaseous fuels such as ethanol, methanol, methane, and hydrogen. (Reference <http://legis.state.nm.us/New Mexico Statutes 7-9-98>)

#### **Hydrogen and Fuel Cell Development**

The Hydrogen and Fuel Cell Technologies Development Program was established to foster the development of hydrogen and fuel cell-related commercialization and economic development in the state. The program shall include the following activities:

- (1) Establish a public-private partnership between the state, national laboratories, nonprofit organizations and the hydrogen and fuel cell technologies industry sector to provide guidance and support for hydrogen and fuel cell initiatives;
- (2) Support activities to adopt uniform hydrogen safety codes and standards and provide education and training to communicate these codes and standards to the appropriate fire and regulatory entities;
- (3) Develop demonstration projects by pursuing federal funds and other available funds to augment state resources, advance public education about hydrogen and fuel cell technology and

build the necessary infrastructure to support commercial use and adoption of hydrogen and fuel cell technologies; and

(4) Coordinate and supporting research and education activities in hydrogen and fuel cells between state universities and federally funded research and development organizations in the state to promote closer cooperation and advance the state's overall capabilities and programs in hydrogen and fuel cell technologies. (Reference [New Mexico Statutes 71-7-7](#))

### **Hybrid Electric Vehicle (HEV) Tax Exemption**

From July 1, 2004, through June 30, 2009, HEVs with a U.S. Environmental Protection Agency estimated fuel economy rating of at least 27.5 miles per gallon are eligible for a one-time exemption from the motor vehicle excise tax at the time the original certificate of title for the vehicle is issued. (Reference [New Mexico Statutes 7-14-6](#))

### **Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Grants**

The Energy Conservation and Management Division of Energy, Minerals, and Natural Resources Department (EMNRD) provides grants on a competitive basis to eligible applicants to support alternative fuel activities including the purchase AFVs, infrastructure development, alternative fuel training, or related activities in New Mexico. Eligible applicants must submit proposals within specified dates as determined by EMNRD. If a proposal is selected for funding, the applicant will be required to enter into a professional-service agreement or governmental-service agreement with EMNRD. Funds are available on an annual basis; this program is supported by federal funding.

In addition, the Advanced Energy Technologies Economic Development Act was established to provide funding to stimulate the market for, and promote the statewide utilization of, advanced energy technologies; it also provides for a targeted program that advances the creation of a hydrogen and fuel cell industry cluster. The Clean Energy Grants Program provides state grants for projects utilizing clean energy technologies and providing clean energy education, technical assistance, and training programs. Qualifying entities are municipalities and county governments, state agencies, state universities, public schools, post-secondary educational institutions, and Indian nations, tribes and pueblos. No single entity is eligible to receive more than \$100,000. (Reference [New Mexico Statutes 71-7-1 to 71-7-7](#))

### **Alternative Fuels Tax**

HB 0030 made changes to the Alternative Fuel Tax Act:

- The option to pay alternative fuels excise tax annually for LNG and CNG is no longer available;
- The excise tax rates for LNG and CNG are modified, and definitions for "gallons" are changed. Section 7-16B-4 1978 NMSA; Imposition and rate of tax; denomination as alternative fuel excise tax states in part..... For each gallon of alternative fuel distributed in New Mexico, the tax imposed by Subsection A of this section shall be:
  - (5) for the period beginning July 1, 2014 and thereafter:
    - a) for alternative fuel that is compressed natural gas, thirteen and three-tenths cents (\$.133) per gallon;
    - (b) for alternative fuel that is liquefied natural gas, twenty and six-tenths cents (\$.206) per gallon; and

(c) for alternative fuel not described in Subparagraph (a) or (b) of this paragraph, twelve cents (\$.12) per gallon.

(d) Alternative fuel purchased for distribution shall not be subject to the alternative fuel excise tax at the time of purchase or acquisition, but the tax shall be due on any alternative fuel at the time it is dispensed or delivered into the supply tank of a motor vehicle that is operated on the highways of this state."

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100, B99</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.21/gallon	B100, B99 is taxable	Subject to the Load Fee .01875/gallon	\$0.17/gallon	Ethanol when blended is taxable	If blended is also subject to the Load Fee .01875/ gallon

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100, B99 is taxed as a motor fuel at \$0.21/gallon and the Petroleum Products Loading Fee of \$.01875/gallon. Imposition of tax is upon import and 1 <sup>st</sup> receiver at a New Mexico terminal.	Ethanol is not taxed until blended. The blended product is taxed at the gasoline rate of \$0.17/gallon and the Petroleum Products Loading Fee of \$.01875/gallon. Can be imported is subject to gross receipts tax rules.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or "M85", and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	.133 per gallon	
<b>E85</b>	Same as Gasoline	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>		
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	.206 per gallon	
<b>LPG (Liquefied</b>	.12 per gallon	

Petroleum Gas)		
Methanol or "M85"		Not Applicable
Other		Not Applicable

**Section 13-Please list what blendstocks are taxable  
or reportable in your state.**

Blendstock	Tax Rate	Reportable

**Section 14-How does your state handle contaminated fuel?**

Request a refund in writing within 30 days.

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment

**Section 17-Does your state consider postmarked or received  
by due date as timely filed?**

**Section 18-When filing a return electronically, what time is considered timely?  
(Example: 11.59 pm on due date)**

**Section 19-When the due date of the return(s) and payment(s) falls on a  
weekend or Holiday, when are the report(s) and payment(s) due?**

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

**Section 22-Does your state require transporter returns and if so, who is required to report?**

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

# STATE OF NEW YORK

## Section 1-Contact Information

**Agency:** New York State Tax Department

**Name:** Brian Galarneau

**Street Address:** Harriman State Office Campus, Bldg 9, room 302

**City, State Zip Code:** Albany, New York 12227

**Phone Number:** 518-862-6015

**Fax Number:** 518-435-8441

**E-mail Address:** Brian.Galarneau@tax.ny.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Motor Fuel Tax statutory provisions are largely contained in Article 12-A of the New York State Tax Law. Motor fuel tax regulations can be found in Title 20 New York Codes, Rules and Regulations—Subchapter A of Article 1 of Chapter III

## Section 3-State Point of Taxation

**Gasoline:** first import into or production in the State

**Diesel:** Terminal rack

**Aviation Fuel:** first import into or production in the State

**Jet Fuel:** Generally taxed on fuel burned on take-off from a NYS airport

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-:

Point of Taxation: Gasoline –first import (tax law section 284 1.)  
Highway diesel –removal from terminal rack (tax law section 282-a (1))

### **Section 5-State Tax Rates**

**Gasoline:** rates all per gallon: 8 cent excise + 16.20 cent petroleum business tax + 8 cent fixed State sales tax

**Diesel:** rates all per gallon: 8 cent excise + 14.45 cent petroleum business tax + 8 cent fixed State sales tax

**Aviation Fuel:** 6.5 cents per gallon

**Jet Fuel:** 6.5 cents per gallon

### **Section 6-Rate Updates**

**Please list any rate updates for your state:** All petroleum business tax (PBT rates are indexed and change each January 1<sup>st</sup>. PBT rates above are effective through December 31, 2017

### **Section 7-State Collection Allowance**

None

### **Section 8-State Diversion Requirements**

**Diversion Required** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

N/A

**What diversion registry program do you use?**

N/A

**What products are subject to the diversion requirement?**

N/A

**Diversion Requirements**

The customer would not be able to obtain a refund.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Supplier must request refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

Supplier can credit/rebill

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

N/A

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

New York is the proud home of the Capital District (Albany) Clean Communities ([www.cdtcmppo.org/cdcc/cdcc.htm](http://www.cdtcmppo.org/cdcc/cdcc.htm)), Clean Communities of Central New York, Genesee Region Clean Communities ([www.grcc.us](http://www.grcc.us)), Greater Long Island Clean Cities Coalition, Inc. ([www.gliccc.org](http://www.gliccc.org)), New York City and Lower Hudson Valley Clean Communities ([www.empirecleancities.org](http://www.empirecleancities.org)), and Clean Communities of Western New York, Inc. ([www.cleancommunitiesofwny.org](http://www.cleancommunitiesofwny.org))

Clean Cities Coalitions. Coordinator contact information is listed in the Points of Contact section. I updated contacts below.

### **State Incentives**

#### **Alternative Fuel Product Development Funding**

The New York State Energy Research and Development Authority's (NYSERDA) Transportation Research Program sponsors a wide variety of product development efforts aimed at improving efficiency and increasing the use of alternative fuels. Program Opportunity Notices are issued periodically to solicit proposals for cost-share development efforts leading to the manufacture and sale of innovative products that provide energy, environmental and economic development benefits. For more information about this program visit the [NYSERDA Transportation Projects](#) Web site.

#### **Alternative Fuel Vehicle (AFV)**

The New York Truck – Voucher Incentive Program, administered by the New York State Energy Research and Development Authority (NYSERDA), awards funds (up to \$60,000) to truck dealers that sell electric trucks to private companies, municipalities and not-for-profits in 30 non-attainment counties of New York. For more information about this program visit the <http://www.truck-vip.ny.gov/> Web site.

#### **Alternative Fuel Vehicle (AFV) and Electric Vehicle (EV) Funding - New York City**

The New York Truck – Voucher Incentive Program, administered by the New York State Energy Research and Development Authority (NYSERDA) in cooperation with New York City Department of Transportation, helps private companies and not-for-profits operating vehicles in New York City to acquire AFVs. Funds are awarded on a voucher basis for up to 80% of the incremental cost up to \$40,000 for purchasing new or converting medium- and heavy-duty NGVs (dedicated), EVs, or hybrid electric vehicles. Eligible projects may also include installation diesel emission control devices.

## **Alternative Fuel Vehicle Refueling Property and Electric Vehicle Recharging Property Tax Credit**

See link below for description of credit:

[http://www.tax.ny.gov/pdf/memos/mutlitax/m13\\_5c\\_3i.pdf](http://www.tax.ny.gov/pdf/memos/mutlitax/m13_5c_3i.pdf)

## **Biofuel Production Tax Credit**

Biofuel producers in New York State are eligible for a state tax credit of up to \$0.15 per gallon of biodiesel (B100) or ethanol produced after the production facility has produced and made available for sale 40,000 gallons of biofuel per year. The credit is capped at \$2.5 million per taxpayer per taxable year, and available for no more than four consecutive taxable years per production facility (Reference New York Tax Law 28). Effective for tax years beginning before January 1, 2020.

## **Alternative Fuel Sales**

Sellers of alternative fuels are eligible for a full exemption from the State's excise tax, petroleum business tax (PBT) and State & local sales taxes for fuel products identified as E-85 (85 percent ethanol / 15 percent gasoline), compressed natural gas (CNG) and hydrogen, when suitable for use in a motor vehicle engine.

Sellers are also eligible for reduced tax rates under the excise tax and PBT for fuel product identified as B-20 [20 percent bio-product (e.g. soybean oil), 80 percent diesel fuel]. The rate reduction will be 20 percent under both taxes. Further, the State sales tax on B-20 will be imposed at 80 percent of the fixed cents per gallon rate applicable for motor fuels under this tax. Local sales tax will be imposed on 80 percent of the receipts from the retail sale of B-20. These alternative fuel sales exemption provisions will sunset on August 31, 2021.

## **High Occupancy Vehicle (HOV) Lane Access**

Through the Clean Pass Program, eligible hybrid electric vehicles (HEVs) may use the Long Island Expressway HOV lanes, regardless of the number of occupants in the vehicle. Vehicles must display the Clean Pass vehicle sticker, available from the New York State Department of Motor Vehicles. For a list of eligible vehicles, see the Clean Pass Program Web site.

## **Buffalo Region**

**Coordinator:**[Bill Pauly](mailto:Bill Pauly)

**Phone:**716-435-5261

[billpauly@adelphia.net](mailto:billpauly@adelphia.net)

### **Alt Contact**

**Coordinator:**Craig Jackson

c/o Cobey Inc.

1 Ship Canal Parkway

Buffalo, NY 14218

**Phone:**716-362-9543

**Cell:**716-392-1905

**Fax:**716-362-9551

**Boundaries:**Counties: Erie, Niagara; City of Buffalo

<http://www.cleancommunitiesofwny.org/>

**Genesee Region (Rochester)**

**Coordinator:**[David Keefe](mailto:dkeefe@grcc.us)

**Phone:**585-301-2433

[dkeefe@grcc.us](mailto:dkeefe@grcc.us)

**Boundaries:**Counties: Genesee, Livingston, Monroe, Ontario, Orleans, Wayne; City of Rochester

<http://www.grcc.us/>

**Central New York (Syracuse)**

**Coordinator:**[Barry Carr](mailto:bcarr1@twcnny.rr.com)

**Phone:**315-299-2863

[bcarr1@twcnny.rr.com](mailto:bcarr1@twcnny.rr.com)

**Coordinator:**[Joseph V. Barry](mailto:barryj@sunyocc.edu)

**Phone:**315-498-2548

[barryj@sunyocc.edu](mailto:barryj@sunyocc.edu)

**Boundaries:**Counties: Cayuga, Madison, Onondaga, Oswego; City of Syracuse

**Capital District (Albany)**

**Coordinator:** [Jennifer A. Ceponis](mailto:jceponis@cdtcmpo.org)

Capital District Clean Communities Coalition

1 Park Place, Albany, NY 12205

[jceponis@cdtcmpo.org](mailto:jceponis@cdtcmpo.org)

**Phone:**518-458-2161

**Boundaries:**Counties: Albany, Fulton, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren; City of Albany

<http://www.cdtcmpo.org/cdcc/cdcc.htm>

**Empire Clean Cities (New York City and Lower Hudson Valley Clean Communities)**

**Coordinator:**[Christina Ficicchia](mailto:director@nyclhvcc.org)

**Phone:**212-487-4214

[director@nyclhvcc.org](mailto:director@nyclhvcc.org)

**Boundaries:**Brooklyn, Bronx, Manhattan, Queens, Staten Island; Counties: Putnam, Rockland, Westchester

**Greater Long Island**

**Coordinator:**[Rita D. Ebert](mailto:rebert@lift.org)

**Phone:**631-969-3700 x25

[rebert@lift.org](mailto:rebert@lift.org)

**Boundaries:**Counties: Nassau, Suffolk

<http://www.gliccc.org/>

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.4345/gallon	B100 is taxable when used in a motor vehicle.	Subject to the Petroleum Business Tax and Prepaid Sales Tax in Region 1, 2 or 3. Region 2 rate shown	\$0.4525/gallon	Ethanol is taxable	Subject to the Petroleum Business tax, Prepaid Sale Tax in Region 1, 2 or 3 and the Petroleum Testing Fee. Region 2 rate shown

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is taxed like diesel fuel when used in a motor vehicle. So tax is imposed at tax rate of \$0.4345/gallon. Interdistributor sales of qualified B100 are exempt. The product B-20 is eligible for a 20% rate reduction under NYS fuel taxes.	Ethanol is treated like gasoline. The tax rate is \$0.4525/gallon. The full tax rate applies on import and should be charged down the chain. The product E85 is exempt from all NYS Taxes when delivered to retail filling station.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Fully exempt on sales through August 31, 2021	
<b>E85</b>	Fully exempt on sales through August 31, 2021	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	Not applicable	
<b>Gasoline Hybrid Vehicles</b>		
<b>Hydrogen</b>	Fully exempt on sales through August 31, 2021	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Fully exempt on sales through August 31, 2021	

<b>LPG (Liquefied Petroleum Gas)</b>		
<b>Methanol or "M85"</b>	Fully taxable	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>RBOB</b>	\$.08-Excise, \$.1620 PBT plus variable sales tax (PUB 790)	Upon import
<b>CBOB</b>	\$.08-Excise, \$.1620 PBT plus variable sales tax (PUB 790)	Upon import

**Section 14-How does your state handle contaminated fuel?**

Credit is allowed on the Petroleum Business Tax Return

**Section 15-Does your state allow bad debt credits?**

Yes, for the Petroleum Business Tax and the Sales Tax

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
<b>Petroleum Business Tax Return (PT-100)</b>	<b>On or before the 20<sup>th</sup> day of the following month.</b>	<b>With the filing of the return</b>

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

In general, where any document required to be filed with, or payment required to be made to, the Department of Taxation in a prescribed period or on or before a prescribed date is delivered in the manner and time provided in this section by United States mail to the appropriate address after the prescribed period or date, the date of the United States postmark as stamped on the envelope or other wrapper in which such document or payment is contained will be deemed to be the date of filing or paying. NYCRR Ch. IX, sec. 2399.2

**Section 18-When filing a return electronically, what time is considered timely?**  
**(Example: 11.59 pm on due date)**

Any document that is filed electronically with the department (or with the department's designee) in the manner and time provided by the commissioner is deemed to be filed on the date of the electronic postmark. Thus, if the electronic postmark is timely, the document is considered filed timely although it is received after the last date prescribed for filing. NYCRR Ch. IX, sec. 2399.2

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Except as otherwise provided by law or this Title, when the last day prescribed (including any extensions of time, where applicable) for filing a document, making a payment, or performing any act falls on a Saturday, Sunday or a day which is a legal holiday in the State of New York, these acts will be considered timely if performed on the next succeeding day which is not a Saturday, Sunday or legal holiday. Ch. IX, sec NYCRR 2399.3

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

(a) A distributor or any other person subject to the provisions of article 12-A of the Tax Law who or which fails to file a return or fails to pay any tax due on or before the last date prescribed for filing or paying, unless it can be shown that such failure was due to reasonable cause and not due to willful neglect, is subject to a penalty:

(1) of 10 percent of the amount of tax determined to be due pursuant to article 12-A of the Tax Law, for the first month or any fraction thereof succeeding the last date prescribed for filing or paying; plus

(2) an additional one percent of the amount of tax determined to be due pursuant to such article, for each additional month or fraction thereof during which such failure continues after the expiration of the first month after such return was required to be filed or such tax became due.

(a) The initial 10 percent and the additional one percent per month may not exceed 30 percent in the aggregate. Thus this penalty accrues for a period of 21 months. The amount of tax determined to be due will be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment and by the amount of any credits against the tax which may be claimed on the return whether or not they were in fact claimed. Further, in computing the additional one percent per month, the amount of tax determined to be due will also be reduced by the amount of any part of the tax which is paid before the first day of each month. For purposes of this section, a *month* constitutes a period which terminates with the date numerically corresponding to the prescribed due date. Where a distributor or other person fails to both timely file a return and timely pay any tax due, separate penalties for the failure to file and the failure to pay are not imposed.

(b) Where a return is filed later than 60 days after the last date prescribed for filing, unless it can be shown that such failure was due to reasonable cause and not due to willful neglect, the penalty

imposed by this section for a failure to file may not be less than \$100 or 100 percent of the amount of tax required to be shown on the return, whichever is the lower amount. For purposes of this subdivision, the amount of tax required to be shown on the return will be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credits against the tax which may be claimed upon the return whether or not they were in fact claimed. NYCRR Ch. III, sec. 416.1

Name of Report	Report Penalties	Payment Penalties
Petroleum Business Tax Return (PT-100)		

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is treated as motor fuel. "E85" means a fuel blend consisting of ethanol and motor fuel, which meets the ASTM International active standard D5798 for fuel ethanol.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Form FT-942 must be filed monthly by NYS licensed importing/exporting transporters of motor fuel as required by the Tax Law section 283-a; transporters of diesel motor fuel or motor fuel from a point in NYS to a point outside of NYS; and transporters of diesel motor fuel from a point outside NYS to a point within NYS.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

NYS imposes a fixed 8 cent per gallon sales tax on gasoline and clear diesel fuel . The rate is statutorily fixed unless the quarterly average price of fuel drops below \$2 per gallon in which case the rate can be adjusted downward. It is imposed on a per gallon basis, not on value . Counties and some cities in the State also impose a sales tax on gasoline and clear diesel. The local sales taxes are almost all imposed on the value of the purchase ---similar to sales taxes on other type goods. Part of the State and local sales taxes are collected with a prepaid sales tax paid by distributors at the same time the motor fuel excise tax is collected

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

An applicant for a distributor of motor fuel registration must file a bond or other acceptable security for at least \$50,000. The bond requirement for a distributor of diesel motor fuel is up to the department's discretion.

An importing/exporting transporter is required to submit a performance bond or security for \$2,000. A person storing motor fuel and required to be licensed as a terminal operator is required to submit a performance bond or security for \$10,000.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

<https://www.tax.ny.gov/bus/petrol/ptidx.htm>

<https://www.tax.ny.gov/bus/gas/gasidx.htm>

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Entire return

**Section 28-Does your state allow credit and rebills on the current month report?**

Yes

**Section 29-How many days are allowed to report late loads?**

Transactions should be reported in the month they occur. Prior period transactions are allowable however are subject to late filing interest and penalties.

# STATE OF NORTH CAROLINA

## Section 1-Contact Information

**Agency:** North Carolina Department of Revenue

**Name:** John D. Panza

**Street Address:** 1429 Rock Quarry Road, Suite 105

**City, State Zip Code:** Raleigh, NC 27610

**Phone Number:** (919) 707-7582

**Fax Number:** (919) 733-8654

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## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

North Carolina General Statutes §105-449 may be accessed at:  
<http://www.ncleg.net/gascripts/Statutes/StatutesTOC.pl?Chapter=0105>

The Motor Fuels Administrative Procedures Act Rules may be accessed at:  
<http://reports.oah.state.nc.us/ncac.asp?folderName=\Title%2017%20-%20Revenue\Chapter%2012%20-%20Motor%20Fuel>

## Section 3-State Point of Taxation

**Gasoline:** Terminal Rack

**Diesel:** Terminal Rack

**Aviation Fuel:** Terminal Rack

**Jet Fuel:** Terminal Rack

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-: A licensed North Carolina supplier or importer of motor fuel that first receives the fuel upon its removal from the terminal rack or imports the motor fuel into this State. (This

term is not defined by North Carolina statute, but see: N.C.G.S. 105-449.62; 105-449.82; 105-449.83)

Point of Taxation: In North Carolina, an excise tax at the motor fuel rate is imposed on motor fuel that is removed from the terminal rack or upon importation into the State. N.C.G.S. 105-449.81.

### **Section 5-State Tax Rates**

**Gasoline:** 34.3 cents per gallon excise tax and .0025 cents per gallon inspection tax

**Diesel:** 34.3 cents per gallon excise tax and .0025 cents per gallon inspection tax

**Aviation Fuel:** .0025 cents per gallon inspection tax

**Jet Fuel:** .0025 cents per gallon inspection tax

### **Section 6-Rate Updates**

**Please list any rate updates for your state:** Beginning January 1, 2017, the tax rate is a flat rate of 34.0 cents per gallon multiplied by a percentage of 100% plus or minus the sum of: 1) the percentage change in population for the applicable calendar year multiplied by 75% and 2) the annual percentage change in the Consumer Price Index (CPI) for All Urban Consumers, multiplied by 25%. Based on this formula, the motor fuels tax rate for the 2017 calendar year increased to 34.3 cents per gallon.

### **Section 7-State Collection Allowance**

Pursuant to North Carolina General Statute § 105-449.93(b), a licensed distributor receives a one percent (1%) discount of the amount of tax payable if the taxes due to a supplier are paid on time.

Pursuant to North Carolina General Statute § 105-449.97(b), a licensed supplier that files and pays tax to the State on time receives an administrative discount of one-tenth of one percent (0.1%) of the amount of tax payable to the State as the trustee, not to exceed \$8,000.00 per month. This discount covers expenses incurred in collecting taxes on motor fuel.

Pursuant to North Carolina General Statute § 105-449.97(c), a licensed supplier receives a one percent (1%) discount of the amount of tax payable for paying taxes on time when the supplier sells product to an unlicensed distributor or others not entitled to the one percent (1%) discount allowed under North Carolina General Statute § 105-449.93(b).

Pursuant to North Carolina General Statute § 105-449.99(b), an importer who receives motor fuel from an elective or permissive supplier may deduct the one percent (1%) discount allowed by N.C.G.S. § 105-449.93(b), when remitting tax to the supplier, as trustee, for payment to North Carolina.

## **Section 8-State Diversion Requirements**

**Diversion Required:** Yes.

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

North Carolina General Statute §105-449.115(d)(3).

**What diversion registry program do you use?**

North Carolina currently uses the Trac III system contracted through FTA.

**What products are subject to the diversion requirement?**

All taxable motor fuel products.

### **Diversion Requirements**

Purchaser is liable for any tax due as a result of a diversion from the state represented on the bill of lading. A diversion number must be received authorizing the diversion and the change in destination must be written on the shipping document.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

The purchaser is responsible for any refund due as the result of a diversion to a state other than North Carolina.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

No credit / No requirement to rebill. Supplier should report the sale as it occurred based on the bill of lading. The distributor would file the form Gas-1259 to report the diversion.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

No credit / No requirement to rebill. Supplier should report the sale as it occurred based on the bill of lading. The distributor would file the form Gas-1259 to report the diversion.

**Any Additional Comments?**

The purchaser is liable for any tax due as a result of a diversion to a state other than that which was indicated to the terminal/bulk plant operator.

## **Section 9-Alternative Fuels Incentives and Laws**

North Carolina is the proud home of the Triangle ([www.trianglecleancities.org](http://www.trianglecleancities.org)) and Centralina ([www.4cleanfuels.com](http://www.4cleanfuels.com)) Clean Cities Coalitions.

### **State Incentives**

#### **Biofuels Industry Development**

The North Carolina Green Business Fund was established to provide grants to private businesses with fewer than 100 employees, nonprofit organizations, local governments, and state agencies

to encourage the expansion of small and medium sized businesses to help grow a green economy. One of the fund's priority areas is the development of the biofuels industry in the state. The Department of Commerce may make grants available to maximize development, production, distribution, retail infrastructure, and consumer purchase of biofuels. (Reference [House Bill 1473, 2007](#), and [North Carolina General Statute § 143B-437.4](#))

#### **Alternative Fuel Production Tax Credit**

A tax credit is available for the processing of biodiesel, 100% ethanol, or ethanol/gasoline blends consisting of at least 70% ethanol. The credit is equal to 25% of the cost of constructing and equipping the facility and **a facility must be placed in service before January 1, 2020**. The credit must be taken in seven equal annual installments beginning with the taxable year in which the facility is placed in service. In lieu of the above credit, a taxpayer that constructs and places into service, in North Carolina, three or more commercial facilities for processing renewable fuel and invests a total amount of at least \$400,000,000 in the facilities is allowed a credit equal to 35% of the cost to the taxpayer of constructing and equipping the facilities. To claim the credit, the taxpayer must obtain a written determination from the Secretary of Commerce that the taxpayer is expected to invest at least \$400,000,000 in three or more facilities within a five-year period. **Facilities must be placed in service before January 1, 2020**.

(Reference [North Carolina General Statute § 105-129.16D\(b\)](#) and (b1))

#### **Bond Exemption for Small Biofuels Producers**

A bond filed with the Secretary of Revenue is not required for fuel blenders or suppliers of ethanol or biodiesel when the expected motor fuel tax liability is less than \$2,000. (Reference [Senate Bill 540, 2007](#), and [North Carolina General Statute § 105-449.72\(a\)\(3\)](#))

#### **Renewable Energy Property Tax Credit**

Taxpayers who construct, purchase, or lease renewable energy property, are eligible for a tax credit equal to 35% of the cost of the property. Renewable energy property includes: biomass equipment that uses renewable biomass resources for biofuel production of ethanol, methanol, and biodiesel; anaerobic biogas production of methane utilizing agricultural and animal waste or garbage and related devices for converting, conditioning, and storing the liquid fuels and gas produced with the biomass equipment. The credit must be taken in five equal installments beginning with the taxable year in which the property is placed in service. A ceiling of \$2,500,000 per installation applies to renewable energy property placed in service for any purpose other than residential. Property must be placed in service before January 1, 2016. Session Law 2015-11 delayed the sunset for renewable energy properties placed into service on or after January 1, 2017. To be eligible for the delayed sunset, the taxpayer must make a timely application for the extension, pay the application fee, and meet the two following conditions on or before January 1, 2016: (1) they have incurred at least the minimum percentage of costs of the projects and (2) completed at least the minimum percentage of the physical construction of the project. The application and payment must have been filed with the Secretary of Revenue on or before October 1, 2015. (Reference [North Carolina General Statutes §§ 105-129.15](#) and [105-129.16A](#))

**Alternative Fuel Fueling Infrastructure Tax Credit**

A tax credit is available for qualified fueling facilities that dispense biodiesel, 100% ethanol, or ethanol/gasoline blends consisting of at least 70% ethanol. The credit is equal to 15% of the cost of construction and installation of the dispensing facility, including pumps, storage tanks, and related equipment, that is directly and exclusively used for dispensing or storing the fuel. The credit must be taken in three equal annual installments beginning with the taxable year in which the facility is placed into service. **Facilities must be placed in service before January 1, 2014.** (Reference [North Carolina General Statute](#) § 105-129.16D(a))

**Reduce Diesel Emission Grants**

Grants from the Department of Environment and Natural Resources, Division of Air Quality, are available periodically to provide incentive funding for projects that reduce diesel emissions.

**Alternative Fuel and Alternative Fuel Vehicle (AFV) Fund**

The State Energy Office administers an energy credit banking and selling program which enables the state to use moneys generated by the sale of EPAct credits to purchase alternative fuel, develop alternative fuel refueling infrastructure, and purchase AFV’s for use by the state. The monies generated by the sale of EPAct credits are deposited into the Alternative Fuel Revolving Fund (Fund), which enables state agencies to offset the incremental costs of alternative fuel, related fueling infrastructure, and purchasing AFVs. Funds are distributed to state departments, institutions, and agencies in proportion to the number of EPAct credits generated by each. For the purposes of this program, the definition of alternative fuel includes biodiesel (minimum of 20% biodiesel or B20), ethanol (minimum of 85% ethanol or E85), compressed natural gas, propane, and electricity, and includes hybrid electric vehicles. The Fund also covers additional projects approved by the Energy Policy Council. (Reference [North Carolina General Statutes](#) §§ 143-58.4, 143-58.5, 143-341(8)i, and 136-28.13)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$.343/gallon	B100 is taxable when removed from the storage facility at the production location or upon importation into the State.	Subject to the \$.0025 Inspection Fee	\$.343/gallon	Ethanol is taxable when removed from the storage facility at the production location or upon importation into the State.	Subject to the \$.0025 Inspection Fee

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>			<b>Ethanol</b>		
\$ .343/gallon	B100 is taxable upon importation into the State.	Subject to the \$.0025 Inspection Fee	\$ .343/gallon	Ethanol is taxable upon importation into the State.	Subject to the \$.0025 Inspection Fee

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Yes; NCGS §105-449.136 – tax; NCGS § 105-449.130(1g) – conversion rate	<b>Gas Gallon equivalent: 5.66 lbs./gallon</b>
<b>E85</b>	Yes	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	No	<b>Not Applicable</b>
<b>Gasoline Hybrid Vehicles</b>	Yes	<b>Not Applicable</b>
<b>Hydrogen</b>	Yes	<b>.592 lbs./gallon</b>
<b>LNG (Liquefied Natural Gas)</b>	Yes; NCGS §105-449.136 – tax; NCGS § 105-449.130(1f) - conversion rate	<b>Diesel gallon equivalent: 6.06 lbs./gallon</b>
<b>LPG (Liquefied Petroleum Gas)</b>	Yes; NCGS §105-449.136 – tax; NCGS § 105-449.130(1h) – conversion rate	<b>Gas Gallon equivalent: 5.75 lbs./gallon (propane)</b>
<b>Methanol or “M85”</b>	Yes	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>Any – petroleum product component</b>	<b>34.3 cents per gallon excise tax and .0025 cents per gallon inspection tax</b>	<b>Yes</b>

**Section 14-How does your state handle contaminated fuel?**

North Carolina General Statute § 105-449.105(c) allows a monthly refund of the amount of tax paid on certain accidental mixes. A Claim for Refund of Taxes, Form NC-19, should be filed to obtain this refund.

**Section 15-Does your state allow bad debt credits?**

North Carolina allows suppliers to obtain a credit on their Supplier Return for taxes paid by the supplier, acting in its capacity as a trustee, for a licensed distributor or licensed importer who failed to pay the supplier by the date the tax was due to the State. The supplier must remit Form Gas-1242, Supplier 10 Day Notification prior to claiming the credit.

**Section 16-Please provide the following information:**

<b>DUE DATES for submitting RETURNS</b> Monthly: Within 22-days after the end of each month. Quarterly: Last day of the month following the end of the quarter. Annually: Within 45-days after the end of each calendar year.			
<b>Form No.</b>	<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Gas-1202	Motor Fuels Supplier Return	Monthly	Same as due date
Gas-1204	Terminal Operator Return	Monthly	Informational
Gas-1207	Refiner Return	Monthly	Same as due date
Gas-1209	Terminal Operator Annual Return	Annually	Same as due date
Gas-1219	Motor Fuels Importer Return	Monthly*	Same as due date
Gas-1242	Supplier 10 Day Notification	10-days after the monthly due date	Informational
Gas-1252	Alternative Fuels Provider Return	Monthly	Same as due date
Gas-1254	Bulk End-User of Alternative Fuel Return	Quarterly	Same as due date
Gas-1258	Retailer of Alternative Fuel Return	Quarterly	Same as due date
Gas-1259	Motor Fuels Backup Tax Return	Monthly	Same as due date
Gas-1260	Blender Return	Monthly	Same as due date
Gas-1264	Fuel Alcohol/Biodiesel Provider Return	Monthly	Same as due date
Gas-1288	Kerosene Supplier Return	Monthly	Same as due date
Gas-1301	Motor Fuel Transporter Return	Monthly	Informational
*NOTE: Occasional Importers filing Gas-1219, must submit their return no later than the 3 <sup>rd</sup> day after the end of the month. All other Importer returns are submitted monthly, as defined above.			
<b>DUE DATES for submitting CLAIMS FOR REFUNDS:</b> Monthly: Within 22-days after the end of each month. Quarterly: Last day of the month following the end of the quarter. Annually: April 15 <sup>th</sup> after the end of the year.			
<b>Form No.</b>	<b>Name of Report</b>	<b>Due Date of</b>	<b>Due Date of</b>

		<b>Report</b>	<b>Payment</b>
Gas-1200	Claim for Refund – Nonprofit Organizations	Quarterly	Return date
Gas-1200B	Claim for Refund – Taxicabs Transporting Fare-Paying Passengers	Quarterly**	Return date
Gas-1200C	Claim for Refund – Qualified Power Takeoff Vehicles	Annually	Return date
Gas-1201	Claim for Refund – Tax-paid Motor Fuel Used Off-Highway	Annually	Return date
Gas-1201ME	Claim for Refund – Special Mobile	Quarterly	Return date
Gas-1206	Claim for Refund – Exempt Entities	Monthly	Return date
Gas-1210	Kerosene Claim for Refund	Monthly	Return date
Gas-1239	Motor Fuel Bulk Plant Exporter Return	Monthly	Return date
Gas-1241	Motor Fuel Claim for Refund Licensed Distributor/Importer Hold Harmless	Monthly	Return date
**NOTE: NCGS §105-449.106(b), which allowed for taxicabs to apply for a claim for refund was repealed effective for tax year beginning 1/1/2015.			

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Any return, claim, statement, or other document required to be filed, or any payment required to be made, must be received by the Department or must be postmark stamped on or before the prescribed filing and/or payment date.

North Carolina, pursuant to General Statute §105-263(a), has adopted the Internal Revenue Code § 7502 to govern the timely filing of mailed documents.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11:59 pm on due date)**

Some tax schedules require returns to be filed electronically. Any taxpayer who is required to file a return electronically must also pay electronically. To meet this requirement, taxes remitted to the Department through electronic fund transfer (ETF) or through the Motor Fuel Tracking System must be received no later than 3:45 p.m. on the day prior to the prescribed filing and/or payment date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Any return, claim, statement, or other document required to be filed, or any payment required to be made, must be received by the Department or must be postmark stamped on the next business day following the prescribed filing and/or payment date.

North Carolina, pursuant to General Statute §105-263(a), has adopted the Internal Revenue Code § 7503 to govern the timely filing of documents when the prescribed due date falls on a weekend or holiday.

**Section 20-What are your penalties for late filing report(s) and payment(s)?**

Pursuant to North Carolina General Statute § 105-236(a)(3), if a return is late, the penalty is 5% per month or any fraction thereof, with a maximum of 25% of the tax that is due.

Pursuant to North Carolina General Statute § 105-236(a)(4), if a payment is late, the penalty is 10% of the tax due. This penalty may not apply in certain specified circumstances as described in the statute.

Name of Report	Report Penalties	Payment Penalties
N/A	N/A	N/A

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Pursuant to North Carolina General Statute § 105-449.81(3b), all fuel grade ethanol is taxable if the fuel is either produced in North Carolina and removed from storage at the production location, or is imported to North Carolina outside the terminal transfer system.

Note: House Bill 59, 2017-2018, which has been ratified, but not yet enacted, proposes to amend N.C.G.S. 105-449.81(3b), by making fuel alcohol and biodiesel taxable upon production in North Carolina and removal from storage at the production location, or upon importation to North Carolina "...by means of a transport truck, a railroad tank car, a tank wagon, or by marine vessel."

Pursuant to North Carolina General Statute § 143-58.4, E85 is defined as "[a] blend of eighty-five percent (85%) by volume ethanol and fifteen percent (15%) by volume gasoline."

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Pursuant to North Carolina General Statute § 105-449.101, a motor fuel transporter that is required to be licensed, must file a monthly informational return (Gas-1301) that shows motor fuel transported in the State by the transporter during the month. A motor fuel transporter must be licensed if they transport motor fuel for hire.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

The position holder in North Carolina is responsible for reporting and paying the applicable North Carolina tax on a flash title sale to the first purchaser. The Bill of Lading must list North Carolina as the destination state. For subsequent flash title sales to other customers, if exported out of state, a diversion must be reported.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

North Carolina does not impose a sales tax on gasoline or clear diesel. Sales tax is charged for dyed diesel at the time of purchase. The State sales tax rate is set statutorily pursuant to N.C.G.S. 105-164.4 with a present rate of 4.75%, plus counties and municipalities may also have their own sales tax rate. Generally, sales tax in North Carolina ranges between 6.75% and 7.5% depending on the county tax rate.

Pursuant to N.C.G.S. § 105-164.13(11), sales and use tax is deducted from a claim for refund on motor fuel for which the per-gallon excise tax was paid.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

	<b>License Type</b>	<b>Amount of Bond</b>
1.	<ul style="list-style-type: none"> <li>▪ Refiner;</li> <li>▪ Terminal Operator;</li> <li>▪ Supplier that is a position holder or a person that receives motor fuel pursuant to a two-party exchange;</li> <li>▪ Bonded Importer; or</li> <li>▪ Permissive Supplier</li> </ul>	Must file a bond in the amount of \$2,000,000.
2.	<ul style="list-style-type: none"> <li>▪ Occasional Importer;</li> <li>▪ Tank Wagon Importer; or</li> <li>▪ Distributor</li> </ul>	The bond amount is two times the applicant's expected monthly tax liability, but may not be less than \$2,000 and may not be more than \$500,000.
3.	<ul style="list-style-type: none"> <li>▪ Blender; or</li> <li>▪ A supplier that is a fuel alcohol provider or a biodiesel provider but is neither a position holder nor a person that receives motor fuel pursuant to a two-party exchange</li> </ul>	A bond is required only if the applicant's expected annual tax liability is at least \$2,000, and the bond amount may not be less than \$2,000 and may not be more than \$500,000.
4.	<ul style="list-style-type: none"> <li>▪ Alternative fuel provider; or</li> </ul>	The bond amount is two

	<ul style="list-style-type: none"> <li>▪ A retailer or a bulk end-user that intend to store highway and nonhighway alternative fuel in the same storage facility.</li> </ul>	times the applicant's expected monthly tax liability, but may not be less than \$2,000 and may not be more than \$500,000.
5.	<ul style="list-style-type: none"> <li>▪ Kerosene Supplier;</li> <li>▪ Kerosene Distributor; or</li> <li>▪ Kerosene Terminal Operator</li> </ul>	The amount of the bond may not be less than \$500 and may not be more than \$20,000.

- An applicant for a license as a distributor and as a bonded importer must file only the bond required of a bonded importer.
- An applicant for two or more of the licenses listed in section 2 or 3 in the table above, may file one bond that covers the combined liabilities of the applicant under all the activities. The bond for these combined activities may not exceed \$500,000.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

1.	Refiner	Gas-1207 – Refiner Return	Monthly
2.	Supplier	Gas-1202 – Motor Fuel Supplier Return	Monthly
3.	Kerosene Supplier	Gas-1288 – Kerosene Supplier Return	Monthly
4.	Fuel Alcohol/Biodiesel Provider	Gas-1264 – Fuel Alcohol Provider and Biodiesel Provider Return	Monthly
5.	Importer (Bonded, Tank Wagon, Occasional)	Gas-1219 – Motor Fuel Importer Return	Monthly
6.	Alternative Fuel Provider	Gas-1252 – Alternative Fuels Provider Return	Monthly
7.	Bulk End-User of Alternative Fuel	Gas-1254 – Bulk End-User of Alternative Fuel	Quarterly
8.	Retailer of Alternative Fuel	Gas-1258 – Retailer of Alternative Fuel Return	Quarterly
9.	Dyed Diesel Distributor	Gas-1219 – Motor Fuel Importer Return	Monthly
10.	Blender	Gas-1260 – Blender Return	Monthly
11.	Terminal Operator	Gas-1204 – Motor Fuel Terminal Operator Return Gas-1209 – Terminal Operator Annual Return	Monthly Annual
12.	Transporter	Gas-1301 – Motor Fuel Transporter Return	Monthly

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Amended returns will only include changes to the original return.

**Section 28-Does your state allow credit and rebills on the current month report?**

North Carolina allows credit and rebills to correct for a billing error, but does not allow credit and rebills for diversion purposes.

**Section 29-How many days are allowed to report late loads?**

North Carolina does not have a grace period for reporting late loads. Pursuant to North Carolina Administrative Code, 17 NCAC 12B .0301, all motor fuel transactions must be reported in the current filing period when the transaction occurred. Any prior period transactions (late loads) must be filed as an amended return for the affected period.

# STATE OF NORTH DAKOTA

## Section 1-Contact Information

**Agency:** North Dakota Office of State Tax Commissioner

**Name:** Kevin Schatz

**Street Address:** 600 E Blvd Ave Dept 127

**City, State Zip Code:** Bismarck ND 58505-0599

**Phone Number:** 701-328-3657

**Fax Number:** 701-328-1942

**E-mail Address:** kschatz@nd.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

North Dakota Century Code:

57-43.1 – Motor Vehicle Fuels and Importer for Use Taxes

57-43.2 – Special Fuels and Importer for Use Taxes

57-43.3 – Aviation Fuel Tax

North Dakota Administrative Rules:

81-06.1-02 – Motor Fuel Tax Imposed

## Section 3-State Point of Taxation

**Gasoline:** Distributor

**Diesel:** Distributor

**Aviation Fuel:** Distributor

**Jet Fuel:** Distributor

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

**First Receiver:**

“Consumer” means a user of motor fuel, including any person purchasing motor vehicle fuel in this state for use in a licensed motor vehicle; any person importing motor fuel into this state or purchasing motor fuel in this state for use as heating fuel or for an agricultural, industrial, or

railroad purpose; or any person purchasing motor fuel in this state for use in recreational or any other types of motor vehicles. It does not include a person importing or purchasing motor fuel for resale.

**Point of Taxation:**

57-43.1-02 – Tax imposed on motor vehicle fuels: A refiner, supplier, or distributor shall emit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.

57-43.2-02 – Tax imposed: An excise tax of twenty-three cents per gallons is imposed on the sale or delivery of all special fuel sold or used in the state. A refiner, supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.

57-43.2-02.3 – Exemptions: Special fuel dyed for federal fuel tax exemption purposes and sold for an agricultural, industrial, or railroad purpose is exempt for the special fuel tax imposed by section 57-43.2-02 at the time the fuel is sold to the consumer and is instead subject instead to the tax imposed by section 57-43.2-03.

57-43.2-03 – Special excise tax levied: A special excise tax of four cents per gallon is imposed on all sales of diesel fuel and other special fuels, which are exempted from the tax imposed under section 57-43.2-02.

57-43.3-02 – Tax imposed on aviation fuel: A tax of eight cents per gallon is imposed on all aviation fuel sold or used in this state.

**Section 5-State Tax Rates**

**Gasoline:** \$.23/gallon (since 7/1/05) (Includes Ethanol blends & E85)

**Diesel:** Clear- \$.23/gallon (since 7/1/05) Includes Biodiesel blends  
Dyed- \$.04/gallons (since 7/1/07) Includes Biodiesel blends

**Aviation Fuel:** \$.08/gallon

**Jet Fuel:** \$.08/gallon

**Section 6-Rate Updates**

**Please list any rate updates for your state:**

LNG is exempt for an industrial, agricultural, or railroad purpose.

**Section 7-State Collection Allowance**

Special Fuels & Aviation Fuel - 1% of tax due max of \$300.

Motor Vehicle Fuel – 2% of tax due – No maximum

### **Section 8-State Diversion Requirements**

**Diversion Required:**

Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

ND Century Code 57-43.1-16.2 & 57-43.2-11.2

**What diversion registry program do you use?**

None

**What products are subject to the diversion requirement?**

All motor fuels

**Diversion Requirements:**

Transporter shall issue a diversion ticket indicating the change in destination and a copy of the diversion and the bill of lading shall be mailed, faxed or electronically transmitted to the commissioner prior to the fuel entering the state.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Distributor

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

Yes.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

### **Section 9-Alternative Fuels Incentives and Laws**

**State Incentives:**

**Biofuels Loan Program**

Effective August 1, 2007, the Biofuels Partnership in Assisting Community Expansion (PACE) Loan Program will provide a 5% interest buy down to the following: biodiesel, ethanol, or green diesel production facilities; livestock operations feeding byproducts of a biodiesel, ethanol, or green diesel facility; biofuels retailers for refueling infrastructure installation; and grain handling facilities which provide condominium storage of grain used in biofuels production. Qualified ethanol, biodiesel, and green diesel production facilities must be located in North Dakota and ownership must consist of agricultural producers holding at least 10% of the ownership interest in the facility or residents of the state owning at least 50% of the facility. A biodiesel production

facility must produce biodegradable, combustible, liquid fuel that is derived from vegetable oil or animal fat and is suitable for blending with diesel fuel for use in internal combustion diesel engines. A green diesel production facility must produce fuels from nonfossil renewable resources, including agricultural or silvicultural plants, animal fats, residue, and waste generated from the production, processing, and marketing of agricultural products, silvicultural products, and other renewable resources. An ethanol production facility must produce agriculturally-derived denatured ethanol that is suitable for blending with a petroleum product for use in internal combustion engines. A recipient of Biofuels PACE loans is not eligible for regular PACE loans. (Reference [Senate Bill 2180, 2007](#), and [North Dakota Century Code 17-03](#))

### **Biodiesel or Green Diesel Sales Equipment Tax Credit**

The state of North Dakota offers a five-year income tax credit for equipment that enables a facility to sell diesel fuel containing at least 2% biodiesel or green diesel by volume. The tax credit is worth up to 10% per year, for up to five years, of the biodiesel or green diesel seller's direct costs incurred to adapt or add equipment to a facility. The credit is limited to \$50,000 in the cumulative amount of credits for all taxable years. Biodiesel or green diesel fuel must meet the specifications adopted by the American Society for Testing and Materials (ASTM). (Reference [North Dakota Century Code 57-38-01.23](#))

### **Biodiesel or Green Diesel Production Equipment Tax Credit**

A corporate income tax credit is available in the amount of 10% per year for five years of the taxpayer's direct costs incurred to adapt or add equipment to retrofit an existing facility or adapt a new facility in the state for the purpose of producing or blending diesel or green diesel fuel containing at least 2% biodiesel or green diesel fuel by volume. Eligible direct costs must be incurred after December 31, 2002, and a taxpayer is limited to \$250,000 in the cumulative amount of credits for all taxable years. Biodiesel or green diesel fuel must meet the specifications adopted by the American Society for Testing and Materials (ASTM). For years beginning after December 31, 2008, this credit was expanded to also include costs associated with constructing or retrofitting a facility to crush soybeans or canola. (Reference [North Dakota Century Code 57-38-30.6](#))

### **Ethanol Production Incentive**

The ethanol production incentive program provides funds for an incentive of \$0.40 per gallon for ethanol produced and sold in North Dakota. An ethanol plant that was operational before July 1, 1995, with a production capacity of less than 15 million gallons is eligible for up to \$900,000 in production incentives during the 2005-07 biennium. An ethanol plant that was operational before July 1, 1995, and produced at least 15 million gallons in the previous fiscal year may receive up to \$450,000 in production incentives during the 2005-07 biennium. The cumulative state ethanol payment amount received by any single ethanol production facility may not exceed \$10,000,000. (Reference [North Dakota Century Code 17-02-01](#))

### **Quarterly Ethanol Production Incentive**

The North Dakota Division of Community Services' Office of Renewable Energy and Energy Efficiency will provide a quarterly production incentive to each eligible facility based on a) the average North Dakota price per bushel of corn received by farmers during the quarter, and b) the average North Dakota rack price per gallon of ethanol during the quarter. The cumulative state

ethanol payment amount received by any single ethanol production facility may not exceed \$10,000,000. (Reference North Dakota Century Code 17-2-03 through 17-2-05)

**Biodiesel Income Tax Credit**

A licensed fuel supplier who blends biodiesel or green diesel into fuel in North Dakota is entitled to an income tax credit in the amount of \$0.05 per gallon (3.79 liters) of biodiesel or green diesel fuel comprised of at least 5% biodiesel or green diesel. (Reference North Dakota Century Code 57-38-01.22)

**Alternative Fuel Tax Rates**

A special excise tax rate of 2% is imposed on the sale of propane and a tax of \$0.04 per gallon is imposed on all sales of diesel fuel and other special fuels previously exempted from the full rate for use as an agricultural, industrial, or railroad purpos. Special fuel used for heating purposes is exempt. (North Dakota Century Code 57-43.2-02 and 57-43.2-03)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.23/gallon	B100 is taxable	Subject to the Inspection Fee \$0.00025/Gal	\$0.23/gallon	Ethanol is taxable	Subject to the Inspection Fee \$0.00025/Gal

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
The tax rate is \$0.23/gallon. B100 is taxed like diesel. The tax rate is \$0.23/gallon for clear on-road use and \$0.04/gallon for dyed off-road use.	Agriculturally derived ethanol used in its pure state is included in the statutory definition of motor vehicle fuel and is taxed like gasoline. The tax rate is \$0.23/gallon.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	The tax rate is \$0.23 per equivalent gallon.	An equivalent gallon is equal to 120 cubic feet of compressed natural gas

<b>E85</b>	The tax rate is \$0.23 per gallon.	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>		
<b>Gasoline Hybrid Vehicles</b>	The tax rate is \$0.23 per gallon.	<b>Not Applicable</b>
<b>Hydrogen</b>	The tax rate is \$0.23 per gallon.	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	The tax rate is \$0.23 per equivalent gallon for use on-road. Exempt for industrial, agricultural, or railroad use.	An equivalent gallon is equal to 1.7 gallons of LNG
<b>LPG (Liquefied Petroleum Gas)</b>	The tax rate is \$0.23 per gallon for on-road, 2% of sales price for use off-road, and no tax for heating fuel purpose.	
<b>Methanol or "M85"</b>	The tax rate is \$0.23 per gallon.	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
All blendstock	\$.23 or \$.04 depending on fuel blended with	Yes

**Section 14-How does your state handle contaminated fuel?**

If the fuel is returned for refining and is replaced with the same volume of proper fuel, no additional tax is due. If the fuel is not returned for refining, the tax is due on the fuel that was delivered, no transfer of fuel types is allowed.

**Section 15-Does your state allow bad debt credits?**

Credit can be taken for worthless accounts if both the tax and the cost of the fuel are written off for income tax purposes, documentation is required. If any of the account is later collected the applicable tax must be paid.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Aviation Fuel Tax	25 <sup>th</sup> of month following activity	25 <sup>th</sup> of month following

Report		activity
Liquefied Petroleum Fuel Tax Report	25 <sup>th</sup> of month following activity	25 <sup>th</sup> of month following activity
Motor Vehicle Fuel Tax Report	25 <sup>th</sup> of month following activity	25 <sup>th</sup> of month following activity
Special Fuels Tax Report	25 <sup>th</sup> of month following activity	25 <sup>th</sup> of month following activity

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Timely filing for mailings is the postmark date, for electronically filed it is the received date. Both the payment and the report must be submitted to be considered timely filed.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Before midnight on the due date is considered timely filed.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The due date is the next business day.

**Section 20-What are your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
All motor fuel reports (penalty and interest are applied to a report not considered timely filed with both the report and payment)	5% of the tax due plus any applicable interest at the rate of 1% per month or portion of month (applies if either the report, payment, or both are late)	5% of the tax due plus any applicable interest at the rate of 1% per month or portion of month (applies if either the report, payment, or both are late)

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is taxed as any other gasoline blend at \$.23 per gallon. The percentage range to be considered E85 is from 60% to 85%. E85 is allowed to be reported as either E85 or as gasohol because the tax rate is the same.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

No transporter reports are required.

**Section 23-(Tax at the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

No sales tax is imposed.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Motor vehicle fuel: An amount prescribed by the Commissioner but not less than \$1000.

Special fuel: An amount prescribed by the Commissioner but not less than \$1000.

Aviation fuel: An amount prescribed by the Commissioner but not less than \$500.

A security to guarantee payment may be in the form of a surety bond, cash bond, or an approved letter of credit. The amount of any security may be revised at the discretion of the Commissioner.

For a license in effect for five or more years, the Commissioner may review the records and may waive the requirement for a security. The requirement for a security may be reinstated at the discretion of the Commissioner.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

North Dakota is a last distributor state, all transactions between licensed suppliers are tax free. Any sale to a non-licensed supplier, consumer, or end user, and fuel that is used by the supplier is required to be reported and the tax paid by that licensed supplier.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

A full replacement return is required for all amendments.

**Section 28-Does your state allow credit and rebills on the current month report?**

They are not allowed.

**Section 29-How many days are allowed to report late loads?**

Late loads without tax due are subject to review and may be allowed up to 3 months. Late loads with tax due are subject to review and may be allowed for up to 2 weeks.

# STATE OF OHIO

## Section 1-Contact Information

**Agency:** Ohio Department of Taxation  
Excise and Energy Division

**Name:** Matthew Long

**Street Address:** 4485 Northland Ridge Blvd

**City, State Zip Code:** Columbus, OH 43229

**Phone Number:** 614.466-1096

**Fax Number:** 206-350-6722

**E-mail Address:** Matthew.Long@tax.state.oh.us

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Ohio motor fuel is governed by the Ohio Revised Code section 5735. It is available on our website: <http://codes.ohio.gov/orc/5735>

## Section 3-State Point of Taxation

**Gasoline:** Receipt less credits

**Diesel:** Disbursement

**Aviation Fuel:** Exempt

**Jet Fuel:** Exempt

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver: Not defined in Ohio Revised Code

Point of Taxation: O.R.C. 5735.01

With respect to gasoline, "received" or "receipt" shall be construed as follows:

- (a) Gasoline produced at a refinery in this state or delivered to a terminal in this state is deemed received when it is disbursed through a loading rack at that refinery or terminal;
- (b) Except as provided in division (J)(1)(a) of this section, gasoline imported into this state or purchased or otherwise acquired in this state by any person is deemed received within this state by that person when the gasoline is withdrawn from the container in which it was transported;
- (c) Gasoline delivered or disbursed by any means from a terminal directly to another terminal is not deemed received.

With respect to motor fuel other than gasoline, "received" or "receipt" means distributed or sold for use or used to generate power for the operation of motor vehicles upon the public highways or upon waters within the boundaries of this state. All diesel fuel that is not dyed diesel fuel, regardless of its use, shall be considered as used to generate power for the operation of motor vehicles upon the public highways or upon waters within the boundaries of this state when the fuel is sold or distributed to a person other than a licensed motor fuel dealer or to a person licensed under section [5735.026](#) of the Revised Code.

### **Section 5-State Tax Rates**

<b>Gasoline:</b>	\$0.28
<b>Diesel:</b>	\$0.28
<b>Aviation Fuel:</b>	n/a
<b>Jet Fuel:</b>	n/a

### **Section 6-Rate Updates**

July 1, 2005 changed from \$0.26 to \$0.28 per gallon.

### **Section 7-State Collection Allowance**

Dealer Shrinkage Allowance – 1%

## Section 8-State Diversion Requirements

**Diversion Required:** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

5735.21 (D)

**What diversion registry program do you use?**

Fuel Trac

**What products are subject to the diversion requirement?**

All products except dyed diesel fuel from bulk plants in straight trucks with capacity of 4,200 gallons or less. 5735.21 (L)

**Diversion Requirements**

Must provide notification of diversion to the commissioner, receive a diversion number, and write the diversion number on the shipping document.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Only licensed claimants may request refunds. Any sales to non-licensed customers that are taxed incorrectly would require that the supplier obtain the refund. Credit and rebill would be required.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

## Section 9-Alternative Fuels Incentives and Laws

Ohio's incentives can be found at the websites listed below.

**Ohio Department of Taxation:** [www.tax.ohio.gov](http://www.tax.ohio.gov)

**Ohio Department of Development:** <http://www.development.ohio.gov/>

## Section 10-Taxability & Tax Rates for Biodiesel and Ethanol

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.28/gallon	B100 is taxable	None	\$0.28/gallon	Ethanol is taxable	None

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like clear diesel. The tax is due at the point of distribution to the end user in Ohio. The tax rate is \$0.28/gallon. In order to buy or sell in Ohio you must hold an Ohio Motor Fuel Dealer’s License	Ethanol is treated like gasoline. The tax is due at the point of receipt in Ohio. The tax rate is \$0.28/gallon. In order to buy or sell in Ohio you must hold an Ohio Motor Fuel Dealer’s License.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Currently not taxed	
<b>E85</b>	\$0.28	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	Currently not taxed	
<b>Gasoline Hybrid Vehicles</b>	\$0.28	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	\$0.28	<b>Not Applicable</b>
<b>LPG (Liquefied Petroleum Gas)</b>	\$0.28	<b>Not Applicable</b>
<b>Methanol or “M85”</b>	\$0.28	<b>Not Applicable</b>
<b>Other</b>	\$0.28	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
Additive Miscellaneous	\$0.28	Yes
Benzene	\$0.28	Yes
Butane, including butane-propane mix	\$0.28	Yes
Butylene	\$0.28	Yes
BOB	\$0.28	Yes
ETBE	\$0.28	Yes
Ethane	\$0.28	Yes
Ethylene	\$0.28	Yes
Isobutane	\$0.28	Yes
MTBE	\$0.28	Yes

Methane	\$0.28	Yes
Napthas	\$0.28	Yes
Pentanes, including isopentanes	\$0.28	Yes
Propylene	\$0.28	Yes
Raffinates	\$0.28	Yes
RBOB	\$0.28	Yes
TAME	\$0.28	Yes
Toluene	\$0.28	Yes
Waste Oil	\$0.28	Yes
Xylene	\$0.28	Yes

**Section 14-How does your state handle contaminated fuel?**

If contaminated fuel cannot be cleansed or if contaminated fuel cannot be utilized as another fuel type, then Ohio would permit a request for refund for the fuel which was contaminated. The refund claim form which would be utilized would be the MVF-14 Motor Fuel Casualty Loss Refund Claim. These claims would be thoroughly vetted to validate the loss of the fuel.

**Section 15-Does your state allow bad debt credits?**

The state of Ohio does not permit bad debt credits.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Monthly Dealer Report	On or before the last day of the month following the filing period	On or before the last day of the month following the filing period
Monthly Transporter Report	On or before the last day of the month following the filing period	On or before the last day of the month following the filing period
Monthly Exporter's Report	On or before the last day of the month following the filing period	On or before the last day of the month following the filing period
Monthly Terminal Report	On or before the last day of the month following the filing period	On or before the last day of the month following the filing period

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Ohio uses the postmark date to determine the timeliness of returns file for Motor Fuel taxes.

**Section 18-When filing a return electronically, what time is considered timely?  
(Example: 11.59 pm on due date)**

Electronically filed returns for Ohio are considered timely if received by 11:59pm on the due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Ohio considers the next business day as the due date for both returns and payments whose due date falls on a Holiday or weekend.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Monthly Dealer Report	The greater of 10% of Tax Due or \$50.00	The greater of 10% of Tax Due or \$50.00
Monthly Transporter Report	The greater of 10% of Tax Due or \$50.00	N/A
Monthly Exporter's Report	The greater of 10% of Tax Due or \$50.00	N/A
Monthly Terminal Report	The greater of 10% of Tax Due or \$50.00	N/A

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Any defined as Motor Fuel as defined in Ohio Revised Code section 5735.01 is taxable at the rate of \$0.28.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

All individuals or companies that transport fuel to a point in Ohio are required to be registered. Transporters are required to submit monthly returns.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

N/A

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Tax is imposed on Gasoline upon receipt, Clear and Dyed Diesel are taxed upon disbursement. Ohio's motor fuel tax rate has stayed the same (\$0.28) for several years. However, this is subject to change at any time based upon the needs of the State. Tax is calculated on Gross Gallons.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

All motor fuel Dealer's in the State of Ohio are required to be bonded. The minimum acceptable amount of a bond is \$5,000.00. Ohio may request bonds for the other motor fuel account types if extenuating circumstances arise.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Please see Section 16 for the types of Motor Fuel accounts available in Ohio. If an individual or company has one or more active motor fuel accounts with the State, the returns must be filed by the owner or one of their designated representatives.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Ohio's amended returns are a full replacement of the original.

**Section 28-Does your state allow credit and rebills on the current month report?**

Ohio permits the practice of crediting and rebilling.

**Section 29-How many days are allowed to report late loads?**

Ohio does not have an allowance for reporting late loads. If it is discovered that load(s) are not reported in the correct filing period, an amended return would be required to be filed to include the loads in the proper period.

# STATE OF OKLAHOMA

## Section 1-Contact Information

**Agency:** Oklahoma Tax Commission

**Name:** Christy Dixon

**Street Address:** 2501 N. Lincoln Blvd.

**City, State Zip Code:** Oklahoma City, OK 73194

**Phone Number:** (405) 522-4197

**Fax Number:** (405) 522-2072

**E-mail Address:** cdixon@tax.ok.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

**Statutes :** <http://www.oklegislature.gov/StatuesTitle 68, O.S. 500-563>  
<http://www.oklegislature.gov/StatuesTitle 68, O.S. 702-723>

**Rules:** -<http://www.tax.ok.gov/rules/rules.html>-Chapter 55

**Statutes:** Petroleum Underground Storage Fee: Title 17, O. S. 350-359

## Section 3-State Point of Taxation

**Gasoline:** Taxed upon removal across terminal rack or first import into state

**Diesel:** Taxed upon removal across terminal rack or first import into state

**Aviation Fuel:** Taxed upon removal across terminal rack or first import into state

**Jet Fuel:** Taxed upon removal across terminal rack or first import into state

**Compressed Natural Gas:** Retail -At the pump where CNG is dispensed

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-: N/A

Point of Taxation: Position Holder or Exchange receiver at the rack. Title, 68 O.S. 500.20

Tax is due from the position holder when the product crosses the rack. (the person owning the inventory according to the records of the terminal operator). Title 68, O.S. 500.3 (58) and (67)

Exception – Two-party exchange-

The transaction includes a transfer from the person that holds the original inventory position for motor fuel in the terminal as reflected on the records of the terminal operator, and the exchange transaction is simultaneous with removal from the terminal by the receiving exchange partner.

However, in any event, the terminal operator in the books and records of such terminal operator treats the receiving exchange party as the supplier which removes the product across a terminal rack for purposes of reporting such events to this state.

Motor fuel that is imported into the state by an Occasional Importer wherein the tax has not been pre-collected they must remit the tax due within three days of the importation of the fuel into the state. Title 68, O.S. 500.18 (1).

### **Section 5-State Tax Rates**

**Gasoline:** \$ .16 per gallon

**Diesel:** \$ .13 per gallon

**Aviation Fuel:** \$ .0008 per gallon

**Jet Fuel:** \$ .0008 per gallon

Also there is a \$.01 per gallon Underground Storage Fee is due on all motor fuels.

**CNG (Compressed Natural Gas):** \$ .05 per gallon

**LNG (Liquefied Natural Gas):** \$ .05 per gallon effective January 1, 2014

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

N/A

### **Section 7-State Collection Allowance**

68-500.27. Retainage of 0.1% of tax for administrative costs.

Every supplier and permissive supplier which properly remits tax under this act shall be allowed to retain one-tenth of one percent (0.1%) of the tax imposed by this act and collected and

remitted by that supplier in accordance with this act to cover the costs of administration imposed by this act including reporting, audit compliance, dye injection, and shipping paper preparation.

### **Section 8-State Diversion Requirements**

**Diversion Required:** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.** §68-500.29. Diversions of motor fuel - Payment of tax.

A. In the event an exporter diverts motor fuel removed from a terminal in this state from an intended destination outside this state as shown on the terminal-issued shipping papers to a destination within this state, the exporter, in addition to compliance with the notification provided for in Section 46 of this act, shall notify and pay the tax imposed by Section 4 of this act to the state upon the same terms and conditions as if the exporter were an occasional importer licensed under Section 18 of this act. Each supplier who elects to precollect tax pursuant to this act shall not be subject to any civil penalties or interest imposed pursuant to this act for any corrections resulting from a diversion of the motor fuel from the original destination as represented by the purchaser or the agent of the purchaser. However, the supplier and exporter under this subsection may, by mutual agreement, permit the supplier to assume the liability of the exporter and adjust the taxes of the exporter payable to the supplier.

B. In the event that an exporter removes from a bulk plant in this state motor fuel as to which the tax imposed by this act has previously been paid or accrued, the exporter may apply for and the state shall issue a refund of the tax upon a showing of proof of export satisfactory to the Commission in conformity with Section 11 of this act.

C. In the event that an unlicensed importer diverts motor fuel from a destination outside this state to a destination inside this state after having removed the product from a terminal outside this state, the importer, in addition to compliance with the notification provided for in Section 46 of this act, shall notify the state and shall pay the tax imposed by this act to this state upon the same terms and conditions as if the unlicensed importer were a licensed occasional importer subject to Section 18 of this act without deduction for the allowances provided by Section 27 of this act. However, an importer who has purchased the product from a licensed supplier may, by mutual agreement with the supplier, permit the supplier to assume the liability of the importer and adjust the taxes of the importer payable to the supplier.

D. All licensed importers shall otherwise report and pay tax on diversions into this state of imported product under Section 18 of this act in accordance with the rules applicable to that license class. However, an importer who has purchased the product from a licensed supplier may, by mutual agreement with the supplier, permit the supplier to assume the liability of the importer and adjust the taxes of the importer payable to the supplier.

E. If a monthly report is filed or the amount due is remitted later than the time required by this act, the tax remitter shall pay to the Commission all of the motor fuel tax the remitter collected from the sale of motor fuel during the taxable period in addition to penalties and interest.

F. In the event of a legal diversion from a destination in this state to another state, Section 45 of this act shall apply and an unlicensed exporter diverting the product shall apply for a refund from this state in conformity with paragraph 2 of Section 10 of this act and Section 11 of this act. However, a supplier may take a credit for diversions directed by that supplier for the account of

the supplier. Additionally, the exporter may, by mutual agreement with the supplier, assign the claim of the exporter to the supplier for which the supplier may take a credit.

G. In the event that the second state involved in a cross-border shipment has entered into a multi-state compact with this state, the diverter shall pay or seek refund only upon the difference in state taxes with notice to both states upon proof shown of payment to the actual destination state. The Commission shall periodically determine procedures for making this adjustment and a list of those states which meet these criteria.

**What diversion registry program do you use?** Fuel Trac III

**What products are subject to the diversion requirement?**

All taxable products

**Diversion Requirements**

Must provide notification of diversion to the commission, that a verification number be assigned and manually added to the fact of the shipping paper. Supplier must cancel and rebill.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Supplier must request refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

Supplier must credit/rebill

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

Oklahoma is the proud home of the Central Oklahoma ([www.okcleancities.org](http://www.okcleancities.org)) and Tulsa Area ([www.tulsacleancities.com](http://www.tulsacleancities.com)) Clean Cities Coalitions. Coordinator contact information is listed at the bottom of the page under Points of Contact.

**State Incentives**

**Biofuels Tax Exemption**

Biofuels or biodiesel produced by an individual with feedstocks grown on property owned by the same individual and used in a vehicle owned by the same individual on public roads and highways are exempt from the state motor fuel excise tax. (Reference [House Bill](#) 1916, 2007, and [Oklahoma Statutes](#) 68-500.4 and 68-500.10)

**Alternative Fuel Vehicle (AFV) Tax Credit**

Until January 1, 2020, Oklahoma provides a one-time income tax credit for 50% of the cost of converting a vehicle to operate on an alternative fuel, or for 50% of the incremental cost of purchasing a new Original Equipment Manufacturer AFV. The state also provides a tax credit for

10% of the total vehicle cost, up to \$1,500, if the incremental cost of a new AFV cannot be determined or when an AFV is resold, as long as a tax credit has not been previously taken on the vehicle. The alternative fuels eligible for the credit include compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), methanol, and electricity. For qualified electric vehicle property propelled by electricity only, the basis for the credit is the full purchase price of the vehicle. For vehicles also equipped with an internal combustion engine, the basis for the credit is limited to the portion of such motor vehicle which is attributable to the propulsion of the vehicle by electricity. (Reference [Oklahoma Statutes](#) 68-2357.22)

### **Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Tax Credit**

The state provides a tax credit for up to 50% of the cost of installing refueling infrastructure for AFVs. These tax credits may be carried forward for up to three years. The alternative fuels eligible for the credit include compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), methanol, and electricity. (Reference [Oklahoma Statutes](#) 68-2357.22)

### **Biodiesel Production Facility Tax Credit**

For tax years beginning after December 31, 2004, and before January 1, 2013, a biodiesel (B100) production facility is allowed a credit of \$0.20 per gallon of biodiesel produced. An eligible biodiesel facility must produce at least 25% of its nameplate design capacity for at least six months after the first month for which it is eligible to receive the credit, on or before December 31, 2008. The credit is allowed for 60 months beginning with the first month for which the facility is eligible to receive the credit and ending not later than December 31, 2012. An eligible facility may also receive a credit of \$0.20 per gallon for biodiesel produced in excess of the original nameplate design capacity which results from expansion of the facility completed on or after the effective date of this act and before December 31, 2008. Beginning January 1, 2013, a biodiesel facility may receive a credit of \$0.075 per gallon of biodiesel, for new production for a period not to exceed 36 consecutive months. Additional restrictions apply. (Reference [House Bill](#) 1513, 2007, and [Oklahoma Statutes](#) 68-2357.67) Repealed effective January 1, 2014

### **Ethanol Production Tax Credit**

For tax years beginning after December 31, 2003, and before January 1, 2013, an ethanol production facility is allowed a tax credit in the amount of \$0.20 per gallon of ethanol produced, for 60 months beginning with the first month for which the facility is eligible to receive such credit. The credit may only be claimed if the ethanol facility maintains an average production rate of at least 25% of its nameplate design capacity for at least six months after the first month for which it is eligible to receive the credit, on or before December 31, 2010. Producers are also eligible for an expansion credit of \$0.20 per gallon of ethanol produced in excess of the original nameplate capacity that results from expansion of the facility before December 31, 2008. Beginning January 1, 2013, an ethanol facility is eligible for a credit of \$0.075 per gallon of ethanol, before denaturing, for new production for a period not to exceed 36 consecutive months. (Reference [House Bill](#) 1513, 2007, and [Oklahoma Statutes](#) 68-2357.66) Repealed effective January 1, 2014

### **Ethanol Fuel Retailer Tax Credit**

A retailer of ethanol-blended fuel (blended gasoline consisting of not more than 15% ethyl alcohol by volume) may claim a motor fuel tax credit of \$0.016 for each gallon of ethanol fuel sold in Oklahoma, if the retailer provides a price reduction to the purchaser of the ethanol fuel in the same amount. This incentive is effective unless the federal government mandates the use of reformulated fuel in an area within the State of Oklahoma that is in non-attainment with the National Ambient Air Quality Standards. (Reference [Oklahoma Statutes](#) 68-500.10-1)

### **Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Loans**

The Department of Central Services has an Alternative Fuels Loan program to help convert government-owned fleets to operate on alternative fuels. This program provides 0% interest loans for converting vehicles to operate on an alternative fuel, for the construction of refueling infrastructure, and for the incremental cost associated with the purchase of an Original Equipment Manufacturer AFV. The program provides up to \$10,000 per converted or newly purchased vehicle and up to \$150,000 for refueling infrastructure. Repayment is made from fuel savings during a maximum seven-year period. If the price of alternative fuels does not remain below the price of the conventional fuel that was replaced, repayment is suspended. Eligible applicants include state and county agencies and divisions, municipalities, school districts, mass transit authorities, and public trust authorities. (Reference [Oklahoma Statutes](#) 74-130.4)

### **Alternative Fuel Vehicle (AFV) Loans**

Oklahoma has a private loan program with a 3% interest rate for the cost of converting private fleets to operate on alternative fuels, for the incremental cost of purchasing an Original Equipment Manufacturer AFV, and for the installation of AFV refueling infrastructure. The repayment of the loan is made from fuel savings during a maximum three-year period.

## **Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.13/gallon	B100 is taxable	Subject to Environmental Fee	\$0.16/gallon	Not taxable until blended	Not taxable until blended

## **Section 11 State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel. The tax rate is \$0.13/gallon. Bonded Importer License required.	Ethanol is not taxed until blended. The tax rate is \$0.16/gallon. Bonded Importer License required.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

Fuel Type	Taxability	Conversion Rate if applicable		
		Unit of Measure	BTUs/Unit	Gallon Equivalent
<b>CNG (Compressed Natural Gas)</b>	\$0.05 per gasoline gallons equivalent (gge).	cubic foot	900	126.67 cu. ft.
<b>E85</b>	The tax rate is \$0.16/gallon.	<b>Not Applicable</b>		
<b>Electric Vehicles/Electricity</b>	Not addressed in our Statutes	<b>Not Applicable</b>		
<b>Gasoline Hybrid Vehicles</b>	Taxes only the gasoline that is placed in the hybrid vehicle \$0.16 per gallon	<b>Not Applicable</b>		
<b>Hydrogen</b>	Not addressed in our Statutes	<b>Not Applicable</b>		
<b>LNG (Liquefied Natural Gas)</b>	\$0.05 per diesel gallons equivalent (dge).	<b>Six and six one hundredths (6.06) pounds of liquefied natural gas</b>		
<b>LPG (Liquefied Petroleum Gas)</b>	Required to obtain an annual Flat Fee Decal. Fee is based on the weight of the vehicle. For out-of-state vehicle-\$0.16 per gallon	<b>Not Applicable</b>		
<b>Methanol or “M85”</b>	Required to obtain an annual Flat Fee Decal. Fee is based on the weight of the vehicle. For out-of-state vehicle \$0.16 per gallon	<b>Not Applicable</b>		
<b>Other</b>	Not Applicable	<b>Not Applicable</b>		

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable
<b>Alcohol</b>		<b>Yes</b>
<b>Other</b>		<b>Yes</b>

**Section 14-How does your state handle contaminated fuel?**

§68-500.10. Exemptions from motor fuels tax.

- 14. Motor fuel which was lost or destroyed as a direct result of a sudden and unexpected casualty;
- 15. Taxable diesel which had been accidentally contaminated by dye so as to be unsaleable as highway fuel as proved by proper documentation;

**§68-500.14. Perfection of certain exemptions by refund claim.**

B. The exemption for motor fuel pursuant to paragraphs 14 and 15 of Section 500.10 of this title which fuel was purchased tax paid for a taxable use and was, after the purchase, contaminated by the presence of a dye or marker or subject to a sudden and unexpected casualty loss shall be refunded to the person responsible for the contamination or loss event upon application therefor and on proof shown acceptable to the Tax Commission.

**Section 15-Does your state allow bad debt credits?**

§68-500.24. Suppliers' entitlement to credit for uncollectible taxes.

- A. In computing the amount of motor fuel tax due, the supplier shall be entitled to a credit against the tax payable the amount of tax paid by the supplier that has become uncollectible from an eligible purchaser.
- B. The supplier shall provide notice to the Commission of a failure to collect tax within ten (10) business days following the date on which the supplier was earliest entitled to collect the tax from the eligible purchaser under Section 22 of this act.
- C. The Commission shall adopt rules establishing the evidence a supplier must provide to receive the credit.
- D. The credit shall be claimed on the first return following the expiration of the ten-day period as provided in this section if the payment remains unpaid as of the filing date of that return or the credit shall be disallowed.
- E. The claim for credit shall identify the defaulting eligible purchaser and any tax liability that remains unpaid.
- F. If an eligible purchaser fails to make a timely payment of the amount of tax due, the credit of the supplier shall be limited to the amount due from the purchaser, plus any tax that accrues from that purchaser for a period of ten (10) days following the date of failure to pay.
- G. No additional credit shall be allowed to a supplier under this section until the Commission has authorized the purchaser to make a new election under Section 23 of this act.

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment
Three Day Permit Voucher	The payment of taxes will be due three days from the date the import diversion verification number is assigned or three days from the date the motor fuel entered Oklahoma. The earlier of the two dates determines the official due date of this payment.	The payment of taxes will be due three days from the date the import diversion verification number is assigned or three days from the date the motor fuel entered Oklahoma. The earlier of the two dates determines the official due

		date of this payment.
Alternative Fuel Report	27 <sup>th</sup> of the following month	27 <sup>th</sup> of the following month
Occasional Importer Report	27 <sup>th</sup> of the following month	27 <sup>th</sup> of the following month
Bonded Importer Report	27 <sup>th</sup> of the following month	All bonded importers are required to remit the motor fuel tax shall remit the motor fuel taxes due by electronic fund transfer acceptable to the Commission. The transfer or payment shall be made on or before the date the tax is due.
Tankwagon Importer Report	25 <sup>th</sup> of the following month	25 <sup>th</sup> of the following month
Exporter Report	27 <sup>th</sup> of the following month	N/A
Terminal Operator Report	27 <sup>th</sup> of the following month	N/A
Fuel Blender Report	The report will be due within thirty (30) days of the blending event	The payment of taxes will be due within thirty (30) days of the blending event
Petroleum Underground Storage Report	This report is due the same date as the required fuel tax report.	The tax is due the same date as the required fuel tax report
Special Fuel Report	20th of the following month	20th of the following month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked by due date

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11:59 pm on due date)**

11:59 pm on due date

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Next business day

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
Three Day Permit Voucher		Calculate any penalty due by multiplying tax due by 10% if remittance is not received thirty (30) days from the due date date). (Interest accrues at 1.25% per month until tax is paid).
All other Motor Fuel Reports		10% penalty of the total tax if not paid within 15 days of the due date and 1.25% per month interest of the total tax per month from the due date.

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Ethanol when blended is treated and taxed like gasoline.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Each licensed transporter shall file a monthly report concerning the amount of motor fuel transported within or across the borders of this state. However, transport truck operations exclusively within the state and those transport trucks operated by a supplier are not reportable.

Note: At this time the Commission is not requiring the filing of the monthly carrier reports.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

The position holder is the supplier responsible for reporting terminal rack removals and paying any applicable excise tax to the state.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Dyed diesel fuel may be subject to sales tax, depending upon the sales tax exemptions. Sales tax is based on the purchase price of the fuel. The State sales tax rate is set statutorily at 4.50%, plus county and city sales tax rates.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Applicants for the following licenses shall be required to post a bond:

- (1) Terminal operators
- (2) Exporters
- (3) Transporters
- (4) Tank wagon operator-importers
- (5) Suppliers and permissive suppliers
- (6) Bonded importers

(b) **Single bond required from applicant for multiple licenses.** An applicant for more than one license shall be required to post only one (1) bond. The bond shall be posted in the greatest amount required for one of the licenses.

(c) **Computation of amount of bond.** Bonds required for licenses described in this Part shall be posted in amounts determined by (1) through (6) of this subsection:

(1) **Terminal operators.** Terminal operators must post a bond in an amount not less than three (3) months estimated tax liability, but not to exceed Five Hundred Thousand Dollars (\$500,000.00). The initial bond shall be in the amount of Two Thousand Dollars (\$2,000.00).

(2) **Exporters.** Exporters must post a bond in an amount not less than three (3) months estimated tax liability, but not to exceed One Million Dollars (\$1,000,000.00). The initial bond shall be in the amount of Two Thousand Dollars (\$2,000.00).

(3) **Transporters.** Transporters must post a bond in an amount not less than three (3) months estimated tax liability, but not to exceed One Hundred Thousand Dollars (\$100,000.00). The initial bond shall be in the amount of Two Thousand Dollars (\$2,000.00).

(4) **Tank wagon operators-importers.** Tank wagon operators-importers must post a bond in an amount not less than three (3) months estimated tax liability, but not to exceed Fifty Thousand Dollars (\$50,000.00).

(5) **Suppliers; permissive suppliers; bonded importers.** Suppliers, permissive suppliers, and bonded importers must post a bond in an amount not less than three (3) months estimated tax liability, but not less than One Hundred Thousand Dollars (\$100,000.00), nor more than Two Million Dollars (\$2,000,000.00).

(d) **Alternative to posting bond for supplier's or bonded importer's licenses.** In lieu of posting a bond, an applicant for a supplier's or bonded importer's license, may show proof of financial responsibility. Proof of financial responsibility shall be evidenced by proof of Five Million Dollars (\$5,000,000.00) net worth. "**Net worth**" means total assets, minus total

liabilities, as evidenced in a statement from an independent auditor prepared within six (6) months of the date of application.

(e) **Form of bond.** All bonds shall be in the form of a surety bond, upon a form provided by the Tax Commission, or a cash deposit or certificate of deposit.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Oklahoma does not have a hierarchy of licenses. All licensees are responsible for remittance of tax due to the Oklahoma Tax Commission except for the Terminal and Exporter licensees.

Supplier/Permissive Suppliers have primary responsibility of remitting the tax on product removed at the rack.

Importers are responsible for remitting tax on untaxed product imported into Oklahoma. Blenders are liable for remitting tax on additional motor fuel resulting from blending taxed and untaxed products.

Retail dealers of CNG/LNG are responsible for remitting the tax on sales of CNG/LNG

Any other person who possesses taxable fuel upon which the tax has not been paid.

Note: See Section 16 for a list of motor fuel licenses

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

The entire return must be amended

**Section 28-Does your state allow credit and rebills on the current month report?**

N/A

**Section 29-How many days are allowed to report late loads?**

There is no statutory allowance for late load reporting. All late loads are subject to the tax due for the period when shipment occurred, the interest due, and any applicable penalties for late payment.

# STATE OF OREGON

## Section 1-Contact Information

**Agency:** Oregon Department of Transportation

**Name:** Doug Kleeb, Fuels Tax Manager

**Street Address:** 355 Capitol Street NE-MS21

**City, State Zip Code:** Salem, OR 97301

**Phone Number:** 503-378-8150 (general number); 503-378-5773 (direct line)  
Toll Free: 888-753-2525

**Fax Number:** 503-378-3060

**E-mail Address:** [ODOTFuelsTax@odot.state.or.us](mailto:ODOTFuelsTax@odot.state.or.us)  
[Douglas.J.Kleeb@odot.state.or.us](mailto:Douglas.J.Kleeb@odot.state.or.us)

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Oregon Revised Statutes Chapter 319

[https://www.oregonlegislature.gov/bills\\_laws/Pages/ORS.aspx](https://www.oregonlegislature.gov/bills_laws/Pages/ORS.aspx)

Oregon Administrative Rules Divisions 170, 176,174

<http://www.oregon.gov/ODOT/CS/FTG/Pages/adminrules.aspx>

## Section 3-State Point of Taxation

**Gasoline:** 1st distribution/sale

**Diesel:** When placed into the fuel tank of a vehicle used on the highway

**Aviation Fuel:** 1st distribution/sale

**Jet Fuel:** 1st distribution/sale

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-: Not defined in statute. First sale is defined in ORS 319.010 (9) as:

“First sale, use or distribution of motor vehicle fuel or aircraft fuel” means the first withdrawal, other than by bulk transfer, of motor vehicle fuel or aircraft fuel from terminal storage facilities for sale, use or distribution. “First sale, use or distribution of motor vehicle fuel or aircraft fuel” also means the first sale, use or distribution of motor vehicle fuel or aircraft fuel after import into this state if the motor vehicle fuel or aircraft fuel is delivered other than to the terminal storage facilities of a licensed dealer.

Point of Taxation: ORS 319.020 and 319.530 defines who owes the fuels tax and when it is due and payable.

### **Section 5-State Tax Rates**

**Gasoline:** \$0.30/gallon

**Diesel:** \$0.30/gallon

**Aviation Fuel:** \$0.11/gallon

**Jet Fuel:** \$0.03/gallon

### **Section 6-Rate Updates**

**Please list any rate updates for your state:** On January 1, 2016 the tax rates for Aviation Gas and Jet Fuel both increased by \$0.02 per gallon. This is a temporary increase that is effective through December 31, 2021.

### **Section 7-State Collection Allowance**

Use Fuel Sellers are allowed to keep 4% of the tax collected provided they file and pay in a timely manner. Sellers are defined as those placing the fuel into the fuel tank of a motor vehicle for a price. Generally these are retail fueling stations or cardlock facilities.

### **Section 8-State Diversion Requirements**

**Diversion Required**

No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

**What products are subject to the diversion requirement?**

**Diversion Requirements**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

Oregon is the proud home of the Columbia Willamette Clean Cities Coalition, Inc. ([www.cwcleancities.org](http://www.cwcleancities.org)) and the Rogue Valley Clean Cities Coalition. Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

#### **Used Cooking Oil Biodiesel Tax Exemption**

When sold at a retail location, diesel fuel blended with a minimum 20 percent biodiesel derived from used cooking oil is exempt from the state excise tax. The exemption does not apply to fleet fueling, bulk sales, or when the fuel is used in vehicles that have a gross vehicle weight rating of 26,001 pounds or more.

#### **Biofuels Production Property Tax Exemption**

Property used to produce biofuels may be eligible for a property tax exemption, provided that it is located in a designated Renewable Energy Development Zone. The Oregon Economic and Community Development Department must receive and approve an application from a qualified rural area to designate the area as a Rural Renewable Energy Development Zone. (Reference [House Bill](#) 2210, 2007, and [Oregon Revised Statutes](#) 285C.350 and 285C.353)

#### **Alternative Fuel Production Facility and Fueling Infrastructure Tax Credit**

Alternative fuel infrastructure projects, which include electric vehicle charging stations, blender pumps, propane and compressed natural gas fueling systems, are eligible for a tax credit of up to 35% of eligible project cost for other than home systems. The Energy Incentives Program is administered by the Oregon Department of Energy. There is a cap of \$20 million per biennium for transportation projects, which includes transit services in addition to alternative fuel vehicle infrastructure. In 2015, alternative fuel vehicle fleets become eligible as transportation project as well.

There is an option that allows a project owner to transfer the tax credit to a pass-through partner for a lump-sum cash payment that is equivalent to the net present value of the credit. A project owner may be a public entity or non-profit organization with no tax liability, or a business with tax liability that chooses to use the pass-through option. (Reference [House Bill](#) 3672 (2011), and [Oregon Revised Statutes](#) 315.336, 317.115, 469B.320 through 469B.347)

There is also a residential energy tax credit (RETC) available for alternative fueling stations installed at private residences. For alternative fuel vehicle fueling or charging infrastructure, the

credit allowed is 50 percent of the eligible cost of the alternative fuel vehicle fueling or charging equipment, not to exceed \$750.(Reference Oregon Revised Statutes 316.116, 469B.100 through 469B.118). These programs sunset at the end of 2017.

**Alternative Fuel Vehicle (AFV) Tax Credit**

The Oregon Department of Energy will offer a tax credit to businesses starting in 2015. These credit will be available to business owners who convert two or more vehicles to use alternative fuels or purchase two or more alternative fuel vehicles to replace gas or diesel vehicles. The credit is 35% of the incremental cost unless the vehicles are class 8 tractors, where the Department of Energy will deem an eligible cost and the resulting credit. This program sunsets at the end of 2017.

(Reference [Oregon Revised Statutes 316.116, 315.336, 469B.320 through 469B.347](#))

**Alternative Fuel Loans**

The Oregon Department of Energy offers a loan program for energy efficiency, renewable resource, and alternative fuel projects. Eligible alternative fuel projects include fuel production facilities, dedicated feedstock production, fueling stations, and fleet vehicles. The program issues Oregon general obligation bonds to provide funds for the loans. Loan recipients must complete a loan application and pay a loan application fee. (Reference [Oregon Revised Statutes 470.050](#))

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.30/gallon	B100 is taxable as a use fuel tax when fuel is placed into a motor vehicle	Subject to the Load Fee	\$0.30/gallon	Not taxable for grades higher than E85. E85 and E10 are taxable as motor vehicle fuel. The tax rate is \$0.30/gallon.	None

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated as a use fuel. The tax rate is \$0.30/gallon.	Not taxable for grades higher than E85. E85 and E10 are taxable as motor vehicle fuel. The tax rate is \$0.30/gallon.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	120 cubic feet of compressed natural gas used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel	<b>1.2</b>
<b>E85</b>	\$0.30/gallon	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	Subject to taxation under the Road Usage Charge program	
<b>Gasoline Hybrid Vehicles</b>	\$0.30/gallon	<b>Not Applicable</b>
<b>Hydrogen</b>	100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	\$0.30/gallon	
<b>LPG (Liquefied Petroleum Gas)</b>	\$0.30/gallon	<b>1.3</b>
<b>Methanol or “M85”</b>	\$0.30/gallon	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable Ethanol</b>

**Section 14-How does your state handle contaminated fuel?**

If licensee is unable to clean it up for resale, proof of proper disposal is required to avoid taxation.

**Section 15-Does your state allow bad debt credits?**

Yes, for Motor Vehicle Fuel. Dealer may only claim bad debt for a specific customer once and must provide proof that the debt meets all applicable standards for deductibility for federal income tax purposes pursuant to IRS code. Reference Oregon Revised Statute 319.192

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Motor Vehicle Dealer	25 <sup>th</sup> of following month	25 <sup>th</sup> of following month
Use Fuel Seller	20 <sup>th</sup> of following month	20 <sup>th</sup> of following month
Use Fuel User	20 <sup>th</sup> of following month	20 <sup>th</sup> of following month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Tax reports must be received by 11:59 p.m. on due date, Pacific Time.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Must be received by 11:59 p.m. on due date, Pacific Time.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Motor Vehicle Dealer	\$25 penalty for not timely filing a zero tax due report	1% if filed by last day of month due. Additional 10% if file after that
Use Fuel Seller		10%
Use Fuel User		10%

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is treated like standard gasoline, as are all blend percentages. We would not consider denatured ethanol to be gasoline.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

No

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

N/A

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Oregon does not impose a sales tax.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Bond is equal to 2x the monthly tax liability. Minimum bond is \$1,000, maximum is \$250,000 which may be raised to \$1,000,000 in certain situations.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Motor Vehicle Fuel (Gasoline and Gasoline blends, Aircraft Fuels)  
Terminal Operator  
Motor Vehicle Fuel Dealer – Responsible for taxes

Use Fuels (diesel, biodiesel, natural gas, propane)  
Bulk Distributor  
Use Fuel Seller  
Use Fuel User

Depending on specific circumstances, each of these license types may be required to remit taxes.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Supplemental data only.

**Section 28-Does your state allow credit and rebills on the current month report?**

N/A

**Section 29-How many days are allowed to report late loads?**

Late loads may be included on the next month's tax report. Anything over that time requires an amended report for the appropriate period.

# COMMONWEALTH OF PENNSYLVANIA

## Section 1- Contact Information

**Agency:** Department of Revenue - Bureau of Motor and Alternative Fuel Taxes

**Name:** James E. Dehnert, Director  
Kimberly Glaser, Research Analyst Manager

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## Section 2- Statutes and Rules

**Please give reference to your Statutes and Rules:**

Pennsylvania Consolidated Statute Title 75 (Vehicle)  
Chapter 90 – Liquid Fuels and Fuels Tax  
Chapter 94 – Liquid Fuels and Fuels Tax Enforcement  
Chapter 95 – Taxes for Highway Maintenance and Construction

Pennsylvania Consolidated Statute Title 74 (Transportation)  
Chapter 61 – Aviation Development

### Liquid Fuels and Fuels Tax

As a result of Act 89 of 2013, the Liquid Fuels and Fuels Tax permanently eliminated the 12 cent per gallon tax beginning on January 1, 2014.

### Oil Company Franchise Tax

The oil company franchise tax is imposed on all taxable liquid fuels and fuels on a cents-per-gallon equivalent basis, and it is remitted by distributors of liquid fuels and fuels. Entities exempt from the liquid fuels and fuels tax are also exempt from the oil company franchise tax. The 2017 tax rates are based on 194.5 mills for liquid fuels and 249.5 mills for fuels, with a statutory Average Wholesale Price floor of \$2.49. Payments and reports are due from distributors on or before the 20th day of the month for liquid fuels and fuels sales in the preceding month.

### **Section 3- State Point of Taxation**

<b>Gasoline:</b>	Distributor level
<b>Diesel:</b>	Distributor level
<b>Aviation Fuel:</b>	Distributor level
<b>Jet Fuel:</b>	Distributor level

### **Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver: This term is not used in Pennsylvania

Point of Taxation: Sale from a registered distributor to a non-registered distributor.  
Chapter 90 – Subsection 9004(b) – Imposition of tax, exemptions and deductions;  
Oil company franchise tax for highway maintenance and construction.

### **Section 5- State Tax Rates**

<b>Gasoline/Gasohol:</b>	*\$0.582cents /gal (prior to January 1, 2017 it was 50.3 cents /gal)
<b>Diesel/Kerosene :</b>	*\$0.747 cents/gal (prior to January 1, 2017 it was 64.0 cents /gal)
<b>Aviation Fuel:</b>	\$0.055 cents/gal
<b>Jet Fuel:</b>	\$0.016 cents /gal

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

\*Please see changes noted above.

### **Section 7- State Collection Allowance (Discount)**

Chapter 90 – Subsection 9006 – Distributor’s report and payment of tax:

(1) The distributor, at the time of making the report under subsection (a), shall compute and pay to the Department the tax due to the Commonwealth on liquid fuels and fuels used or sold and delivered by that distributor during the preceding month, *less a discount*, if the report is filed and the tax paid on time, computed as follows:

- (i) 2%, if the tax amounts to \$50,000 or less;
- (ii) 1.5%, on tax in excess of \$50,000 and not exceeding \$75,000;
- (iii) 1%, on tax in excess \$75,000 and not exceeding \$100,000; and
- (iv) .5%, on tax in excess of \$100,000.

(2) The discount under paragraph (1) shall not be computed on any tax imposed and remitted with respect to the Oil Company Franchise Tax imposed under sections 9004(b) (relating to imposition of tax, exemptions, and deductions) and 9502 (relating to the imposition of tax).

### **Section 8- State Diversion Requirements**

**Diversion Required:** No.

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number:** N/A.

**What diversion registry program do you use?** N/A.

**What products are subject to the diversion requirement?** N/A.

**Diversion Requirements:** N/A.

**What party should apply for the refund if applicable? (Supplier, customer, etc.)**  
N/A.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**  
N/A.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**  
File an amended return.

### **Section 9- Alternative Fuels Incentives and Laws**

Pennsylvania is the proud home of the Pittsburgh Region ([www.pgh-cleancities.org](http://www.pgh-cleancities.org)) and the Greater Philadelphia, Inc. ([www.phillycleancities.org](http://www.phillycleancities.org)) Clean Cities Coalitions.

#### **State Incentives**

**Renewable Energy Grants:** Pennsylvania Energy Development Authority (PEDA) provides grants and loan guarantees for alternative energy projects and related research referring to deployment projects, manufacturing or research. PEDA funding is available for projects involving clean, alternative fuels for transportation, biomass, and fuel cells. PEDA is now offering approximately \$12.5 million in funding for advanced energy projects and for businesses interested in locating or expanding their alternative energy manufacturing or production operations in Pennsylvania. PEDA will consider projects such as the manufacturing of alternative energy or energy efficiency equipment of materials; the development and deployment of innovative, clean advanced and efficient technologies; the generation of alternative energy or the production of alternative fuels; or the implementation of energy efficiency/demand side projects. Of the \$12.5 million, \$10 million is specifically for renewable energy projects, such as solar, wind, hydropower, and biomass. If PEDA does not receive \$10 million in suitable

Advanced Energy Projects, other eligible project types may receive this funding. Eligible applicants include corporations, partnerships, limited liability companies, associations and other legal business entities; Non-profit corporations; Pennsylvania schools, colleges and universities; and any Pennsylvania municipality and any public corporation, authority or body.

Eligible Project Categories include the following: *Advanced Energy Projects:* Projects which deploy: solar energy, wind, low-impact hydropower, geothermal, biomass, biologically derived methane gas including landfill gas, fuel cells, coal-mine methane, waste coal, coal liquification, coal polygeneration, integrated gasification combined cycle, and demand management measures including recycled energy and energy recovery, energy efficiency and load management.

- Clean Alternative Fuels, Alternative Energy Manufacturing and Alternative Energy Research
- Construction of new facilities to produce alternative fuels for transportation
- Construction of new facilities to provide alternative fuels recycling infrastructure
- Projects which support manufacture of component parts of the alternative energy sector
- Projects which support research to advance or commercialize alternative energy projects

For more information, see the [Department of Environmental Protection Grant and Loan Programs](#) Web site.

**Alternative Fuels Incentive Grant Program:** The Alternative Fuels Incentive Grant (AFIG) Program, which is administered by the PA Department of Environmental Protection, provides grant funding for clean, alternative fuel projects in Pennsylvania. Roughly, \$6 million in funding is available each year through collection of the utilities gross receipts tax. The program aims to support innovative energy ideas that will not only benefit the environment, but also create jobs and produce economic development within the state. Eligible applicants include school districts, municipal authorities, political subdivisions, incorporated nonprofit entities, corporations and LLC or partnerships registered to do business in the Commonwealth. The four eligible project categories are: Vehicle Retrofit and Purchase, Alternative Fuel Refueling Infrastructure, and Innovative Technology. All applications must be submitted online through the DEP's eGrants system at [www.ahs.dep.pa.gov/eGrants/index.aspx](http://www.ahs.dep.pa.gov/eGrants/index.aspx) and will be accepted through December 2017.

**Alternative Fuel Vehicle (AFV) Rebates:** The AFIG Program provides rebates for the purchase of new plug-in hybrid, plug-in electric, natural gas, propane and hydrogen fuel cell vehicles with an odometer reading of less than 500 miles at the time of purchase. The vehicle must be purchased to qualify; leased vehicles are not eligible. Purchasers have up to six months after purchase to submit the rebate application. Rebate amounts vary per vehicle. For more information, please visit the Pennsylvania Department of Environmental Protection website.

**Idle Reduction Loans:** The Small Business Pollution Prevention Assistance Account (PPAA) Loan Program provides low interest rate loans to small businesses undertaking projects in Pennsylvania that reduce waste, pollution, or energy use, including the purchase of truck auxiliary power units. Loans are available for 75% of the total eligible project costs. The maximum loan amount is \$100,000 within any 12-month period. The loan has a 2% fixed rate

and a maximum term of 10 years. For more information, please visit [www.dep.pa.gov](http://www.dep.pa.gov), keyword: PPAA.

**Idle Reduction Weight Exemption:** A vehicle equipped with qualified idle reduction technology may exceed the state's gross weight and axle weight limits by up to 400 pounds to compensate for the additional weight of the idle reduction technology. (Reference Title 35 Pennsylvania Statutes, Chapter 23B, Section 4604)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.747/gallon	B100 is taxable	Rate includes the PA Oil Company Franchise Tax	\$0.388/gallon as an Alternative Fuel	Not taxable	Not taxable

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
<p>Per oral guidance from the state, B100 is included in the definition of diesel and is taxed like diesel. The tax rate is \$0.640/gallon. PA includes anything that is suitable for running a diesel powered engine in the definition, including anything that can be blended with diesel. PA assumes that unless you have a history of entering B100 for sale to a plant to make salad dressing (for example) that the intent is to blend for fuel.</p> <p>Imports are reportable but no tax is paid until the fuel is sold to an unlicensed person. As such, sales to licensed distributors are tax free.</p>	<p>There are no special licensing requirements for purchasing or selling 100% Ethanol. Ethanol, as an ingredient, is not required to be reported. Once ethanol is blended with gasoline/gasohol it becomes taxable under the PA liquid fuels tax rate of \$0.582/gallon. E-85 is taxable at the Alternative Fuel Tax rate of \$ 0.418 cents per gallon. Pure Ethanol is taxable the Alternative Fuels Tax rate of \$0.388 cents per gallon. E-85 and pure Ethanol become taxable when the fuel is placed into the fuel tank of a vehicle for use on the public highways.</p>

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

Pennsylvania defines “alternative fuels” as including: natural gas, compressed natural gas (CNG), liquefied natural gas (LNG), liquid propane gas and liquefied petroleum gas (LPG), alcohols, gasoline alcohol mixtures containing at least 85% alcohol by volume, hydrogen, hythane, electricity, and any other fuel used to propel motor vehicles on the public highways which is not taxable as fuels or liquid fuels under Title 75. For taxation, each alternative fuel is converted to a gasoline gallon equivalent, and the tax rate applied to the gasoline gallon equivalent equals the current gas tax. Note that biodiesel is not an alternative fuel. Under Pennsylvania law, biodiesel is considered the same as petroleum-based diesel for purposes of taxation.

The point of taxation is at the retail or end-user level for alternative fuels. This is due to the fact that most alternative fuels have many uses other than as a fuel for propelling a vehicle on the public highways; therefore, until they are placed into a vehicle they do not qualify as an alternative fuel. The Pennsylvania Vehicle Code, Title 75, defines an alternative fuel “dealer-user” as “any person who delivers or places alternative fuels into the fuel supply tank or other device of a vehicle for use on the public highways.” Alternative fuels are taxed at the rate of the Commonwealth’s Liquid Fuels and Fuels Tax, plus the Oil Company Franchise Tax using a gasoline gallon equivalent calculation using a BTU conversion factor for each alternative fuel. The Department publishes revised tax rates each December for the following:

For 2016, the tax rates for alternative fuels are as follows:

<b>Alternative Fuel</b>	<b>Rate of Conversion (BTU/gal of alternative fuel)</b>	<b>Tax Rate per Gallon of Alternative Fuel</b>
Ethanol	76,330	\$0.388
Methanol	57,250	\$0.292
Propane/LPG	84,250	\$0.429
E-85	82,056	\$0.418
M-85	65,838	\$0.335
Liquefied Natural Gas (LNG)	75,714 128,714	\$0.386 per gal (through 6/30/17) \$0.655 per DGE (beginning 7/1/17)
Electricity	3,414 BTU / kWh	0.0174 / kWh

Alternative Fuels under GGE Formula (Gaseous)	GGE Equivalent to One Gallon of Gasoline	Tax Rate per GGE
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Compressed Natural Gas (CNG)	1	\$0.582
Hydrogen	1	\$0.582

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

"Alternative fuels." Natural gas, compressed natural gas (CNG), liquefied natural gas (LNG), liquid propane gas and liquefied petroleum gas (LPG), alcohols, gasoline-alcohol mixtures containing at least 85% alcohol by volume, hydrogen, hythane, electricity and any other fuel used to propel motor vehicles on the public highways which is not taxable as fuels or liquid fuels under this chapter.

"Fuels." Includes diesel fuel and all combustible gases and liquids used for the generation of power in aircraft or aircraft engines or used in an internal combustion engine for the generation of power to propel vehicles on the public highways. The term does not include liquid fuels or dyed diesel fuel. If the product is blended with clear diesel, it will assume the diesel tax rate.

"Liquid fuels." All products derived from petroleum, natural gas, coal, coal tar, vegetable ferments and other oils. The term includes gasoline, naphtha, benzol, benzine or alcohols, either alone or when blended or compounded, which are practically and commercially suitable for use in internal combustion engines for the generation of power or which are prepared, advertised, offered for sale or sold for use for that purpose. The term does not include kerosene, fuel oil, gas oil, diesel fuel, tractor fuel by whatever trade name or technical name known having an initial boiling point of not less than 200 degrees fahrenheit and of which not more than 95% has been recovered at 464 degrees fahrenheit (ASTM method D-86), liquified gases which would not exist as liquids at a temperature of 60 degrees fahrenheit and pressure of 14.7 pounds per square inch absolute or naphthas and benzols and solvents sold for use for industrial purposes. If the product is blended with gasoline it will assume the gasoline tax rate.

Blendstocks are not subject to the Pennsylvania Oil Company Franchise Tax unless they are blended with either Liquid Fuels or Fuels as defined above.—Suppliers/Distributors may report ethanol on their return for inventory purposes but it will not assume the tax rate of a Liquid Fuel (gasohol) or Alternative Fuel (E-85) until blended.

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

**Section 14-How does your state handle contaminated fuel?**

Registered distributors most times would not have paid tax on fuel, so if the fuel is contaminated while they hold title to the product, they would place the information on a schedule 10 (no tax implications) to balance their inventory.

If it is a non-registered distributor who has paid the tax, then the fuel was contaminated they would have to petition the Pennsylvania Board of Appeals to request a refund.

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Motor Fuels Tax Report	20 <sup>th</sup> of the following month	20 <sup>th</sup> of the following month
Alternative Fuels Tax Report	20 <sup>th</sup> of the following month	20 <sup>th</sup> of the following month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmark date, however a hardship waiver must be granted to be exempted from the electronic filing requirement.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Return: 11:59 pm of the due date.

Payment: 11:59 pm of the due date, this **only** applies to ACH debit payments filed through the Pennsylvania Department of Revenue’s e-Tides system. For other types of electronic payments accepted and timely submission times, please contact the Pennsylvania Bureau of Motor and Alternative Fuel Taxes for more information.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Motor Fuels	10% of the tax due	10% of the tax due
Alternative Fuels	10% of the tax due	10% of the tax due

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E-85 is taxed as an Alternative Fuel. Any blend from E-10 through E-84 is taxed at the liquid fuels rate, and reported as gasoline/gasohol.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

PA requires a Monthly Carriers Report of Liquid Fuels and Fuels Delivered to be filed by the last date of each month for the preceding month of all deliveries within PA, imported out of PA, or exported out of PA. Registered Distributors do not have to report deliveries which they held title to, as these loads would appear on their Motor Fuels Tax Report. Registered Distributors do have to report loads which they moved for other parties which they did not hold title to the product.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

N/A.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

PA imposes sales tax on Dyed Off-Road Diesel, not used for heating purposes. The rate is 6% on the value of each gallon sold, with variances of state/local tax collection of 7% in Allegheny County and 8% in Philadelphia County.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

New Liquid Fuels and Fuels Permits are required to post a bond or other financial guarantee calculated to be 1.5 months of average tax due. Permits that have been in existence and in good standing with department for two full permit years may qualify for a reduced surety amount equal to one month of average tax due.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Class 1 – Refiner or wholesaler of liquid fuels and fuels. Distributor.  
Class 2a – Wholesaler of liquid fuels; gasoline and/or gasohol only. Distributor.  
Class 2b – Wholesaler of jet fuel and/or aviation gasoline only. Distributor.  
Class 3 – Wholesaler fuels; diesel and/or kerosene only. Distributor.  
Class 3S – Large off-highway user of undyed diesel or undyed kerosene. User.

Class 4 – Importer of liquid fuels and/or fuels. Distributor.

Class 5 – Exporter of liquid fuels and/or fuels. Distributor.

Class 6 – Kerosene dealer; clear untaxed kerosene from explicitly labeled pump. N/A taxes.

Class 6A – Kerosene dealer; clear untaxed kerosene from a blocked pump. N/A taxes.

Class 7 – Alternative fuels dealer-user. Dealer-user (or retailer).

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Only the information that is changing.

**Section 28-Does your state allow credit and rebills on the current month report?**

Yes, but not necessary. Additionally, distributors that overpay or amend activity on a return which result in a credit have the option to use that credit as an authorized adjustment on a forthcoming return. Distributors that underpay or amend resulting in a balance are then assessed the difference.

**Section 29-How many days are allowed to report late loads?**

None. Any late loads constitute the amending of the applicable period's report.

# STATE OF RHODE ISLAND

## Section 1-Contact Information

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## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

R.I.G.L. 31-36 and Rules Regulation Promulgated By - The Tax Administrator

## Section 3-State Point of Taxation

**Gasoline:** Distributor

**Diesel:** Distributor

**Aviation Fuel:** Exempt

**Jet Fuel:** Exempt

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver-: Not defined in RIGL

Point of Taxation: at the rack

## Section 5-State Tax Rates

**Gasoline:** Currently \$0.33/gallon

**Diesel:** Currently \$0.33/gallon

**Aviation Fuel:** Exempt

**Jet Fuel:** Exempt

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

Effective July 1, 2015 and every other year thereafter, the motor fuel tax will be indexed to inflation. Each adjustment will be rounded to the nearest one cent increment, provided that the total tax is not less than 32 cents per gallon.

### **Section 7-State Collection Allowance**

None

### **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statute and/or Rule required obtaining a Diversion Number.** N/A

**What diversion registry program do you use?** N/A

**What products are subject to the diversion requirement?** N/A

#### **Diversion Requirements.**

Distributor is responsible for the collection of motor fuel tax at the time of sale. If a distributor is aware of a diversion the distributor is responsible for adjusting the bill to reflect the actual tax/credit due.

#### **What party should apply for the refund if applicable? (Supplier, customer, etc)**

If the distributor refunded the motor fuel tax to its customers, the distributor would apply for the refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** N/A

**Any Additional Comments?** Customers would apply for the motor fuel tax refund only if the distributor failed to refund their monies back.

**Section 9-Alternative Fuels Incentives and Laws**

Rhode Island is a member along with 23 other states in promoting alternative fuel, the project is done through the Ocean State Clean Cities Coalition.

A major project involving charging stations is completed, with approximately 50 stations currently operating.

**Alternative Fuel Vehicle (AFV) Loan**

the Rhode Island Office of Energy Resources offers loans for up to five years, with low administrative fees, to state agencies and municipal governments to cover the incremental cost of purchasing original equipment.

**Alternative Fuel Vehicle (AFV) Tax Exemption - Warren**

The town of Warren, Rhode Island may allow excise tax exemptions of up to \$100 for qualified AFV registered in Warren. For the vehicles to qualify, they must be primarily fueled by one of the following: an electric motor drawing current from rechargeable batteries or fuel cells; gas produced from biomass, where biomass is defined as any organic material other than oil, natural gas, and coal; liquid, gaseous or solid synthetic fuels produced from coal; or coke or coke gas. (Reference [Rhode Island Code](#) 44-34-14)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
Currently \$0.33/gallon	B100 is taxable if shipped into RI	B100 is exempt from MF Tax if produced in RI	Currently \$0.33/gallon	Ethanol is taxable	

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 imported into RI is subject to the MF Tax @ the current tax rate of \$0.33/gallon	Ethanol is taxed like gasoline. Currently \$0.33/gallon. Sales to licensed Distributors are tax free.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if</b>
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		<b>applicable</b>
<b>CNG (Compressed Natural Gas)</b>		<b>Not Applicable</b>
<b>E85</b>	<b>Taxable Currently \$0.33/gallon</b>	
<b>Electric Vehicles/Electricity</b>		<b>Not Applicable</b>
<b>Gasoline Hybrid Vehicles</b>	<b>Taxable Currently \$0.33/gallon</b>	
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	<b>Taxable Currently \$0.33/gallon</b>	
<b>LPG (Liquefied Petroleum Gas)</b>	<b>Taxable Currently \$0.33/gallon</b>	
<b>Methanol or "M85"</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
Dyed Diesel off road	Taxable Currently \$0.33/gallon	Yes
Clear Diesel on road	Taxable Currently \$0.33/gallon	Yes
Gasoline	Taxable Currently \$0.33/gallon	Yes

**Section 14-How does your state handle contaminated fuel?**

Not applicable

**Section 15-Does your state allow bad debt credits?**

A provision for bad debts is allowed.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
MFT-1 monthly return	20 <sup>th</sup> of the following month	20 <sup>th</sup> of the following month
EPRF-1 quarterly return	20 <sup>th</sup> of the following month	20 <sup>th</sup> of the following month
UORF-1 monthly return	Last day of the following month	Last day of the following month
T-12 monthly return	20 <sup>th</sup> of the following month	20 <sup>th</sup> of the following month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked date

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

As long as the return is on or before 4:30 PM Eastern on due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Return would be due next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
MFT-1 & T-12	No Penalty	10% of the Tax due
EPRF-1	No Penalty	No Penalty
UORF-1	No Penalty	No Penalty

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 would be taxed at the current tax rate of \$0.33/gallon.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Although a return is not required, RIGL 31-36-17 states “Every railroad, common carrier, or person delivering fuels into this state shall immediately report the delivery in writing to the state administrator, stating the names and addresses of the consignor and the consignee, the date and place of delivery, and the number of gallons delivered.”

**Section 23-(Tax as the rack states or first receiver states only) how does your state handle flash title transactions?**

First non-distributor sale is subject to tax.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

If gasoline exempted from motor fuel tax, than fuel would be subject to sales tax. Rate is 7% on value at the point of sale.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

A bond is required for both distributors and exporters.

RIGL 31-36-2 addresses the bond requirements and states in part:

“(a) Before the division of taxation shall register a distributor as provided in § 31-36-2, the distributor shall deposit with the Division of Taxation a surety bond running to the general treasurer and in form and substance approved by the division, in amount based upon an estimate of the average annual tax to be paid by the distributor as set forth in subsection (b) of this section, with any surety, if any, that the division may require, conditioned to pay any final judgment obtained against the principal named in the bond for failure to pay any and all taxes assessed under the provisions of this chapter. Provided, however, that any distributor that has paid all taxes assessed under this chapter for three (3) consecutive years shall be exempt from depositing a surety bond thereafter as long as the distributor remains in good standing. In the event a distributor fails to remain in good standing the division shall notify the distributor of the requirement to obtain a new surety bond that must be secured within thirty (30) days of said notice. Any distributor that fails to secure the bond as required under this section shall forfeit its certificate of registration, provided for in § 31-36-2, until such time as the division receives proof that the bond has been secured.”

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

Distributors, exporters, dealers. Distributors are responsible to collect and remit the tax to the state.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Whole return is required.

**Section 28-Does your state allow credit and rebills on the current month report?**

Case by case basis.

**Section 29-How many days are allowed to report late loads?**

N/A

# STATE OF SOUTH CAROLINA

## Section 1-Contact Information

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## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

SC Code of Laws

Title 12-Taxation, Chapter 28-Motor Fuels Subject to User Fees

(www.scstatehouse.gov)

## Section 3-State Point of Taxation

**Gasoline:** Taxed upon removal across terminal rack or first import into state

**Diesel:** Taxed upon removal across terminal rack or first import into state

**Aviation Fuel:** not subject to motor fuel tax

**Jet Fuel:** not subject to motor fuel tax

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-:

Point of Taxation: Per SC Code Section 12-28-915 (A), the motor fuel user fee must be remitted by the Supplier when motor fuel subject to the user fee is removed from a terminal. Per SC Code Section 12-28-905 (A), when motor fuel subject to the user fee is imported into the

state, the Occasional Importer must remit the user fees due within three days of the importation of the fuel.

Per SC Code Section 12-28-905 (B), when motor fuel subject to the user fee is imported into the state, the Bonded Importer must remit the user fees due on the twenty-second day of the month following the importation of the fuel.

### **Section 5-State Tax Rates**

**Gasoline:** \$. 18/ gallon motor fuel user fee (motor fuel tax) effective 7/1/2017 ; \$.005/gallon environmental impact fee; \$.0025/gallon inspection fee

**Diesel:** \$.18/gallon motor fuel user fee (motor fuel tax) effective 7/1/2017; \$.005/gallon environmental impact fee; \$.0025/gallon inspection fee

**Aviation Fuel:** \$.0025/gallon inspection fee; \$.005/gallon environmental impact fee

**Jet Fuel:** \$.0025/gallon inspection fee; \$.005/gallon environmental impact fee

### **Section 6-Rate Updates**

The motor fuel user fee (motor fuel tax) has increased from \$0.16 per gallon to \$0.18 per gallon effective July 1, 2017, for all taxable motor fuels.

### **Section 7-State Collection Allowance**

Licensed Suppliers may retain one tenth of a percent of the motor fuel user fee collected and remitted by the Supplier each month per SC Code Section 12-28-955.

### **Section 8-State Diversion Requirements**

**Diversion Required:** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

SC Code Section 12-28-975; 12-28-1525

**What diversion registry program do you use?** FuelTrac

**What products are subject to the diversion requirement?**

All taxable products

**Diversion Requirements.**

Must provide notification of diversion to the department via a diversion number assigned by FuelTrac and added to the face of the shipping paper.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

The party responsible for the diversion should claim refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** No, Supplier is prohibited from re-billing on a diverted load by statute.

## **Section 9-Alternative Fuels Incentives and Laws**

South Carolina is the home of the Palmetto State Clean Fuels Coalition ([www.palmettocleanfuels.org](http://www.palmettocleanfuels.org)). Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

#### **Alternative Fuel Vehicle (AFV) Credit**

S.C. Code § [12-6-3377](#) provides a nonrefundable credit against corporate or individual income tax equal to 20% of the federal fuel cell, advanced lean burn, HEV, and AFV credits is available to South Carolina resident taxpayers who are eligible for and claim the federal credits. If the amount of the credit exceeds the taxpayer's liability for the applicable tax year, any unused credit may be carried forward and claimed in the five succeeding taxable years. The state tax credit is calculated without regard to the phase out period limits of Internal Revenue Code Section 30B(f). Credits can be claimed on **TC-35**.

#### **Solar, Small Hydropower, or Geothermal Energy System Credit**

S.C. Code § [12-6-3587](#) provides a nonrefundable credit against corporate or individual income tax equal to 25% of the costs incurred by the taxpayer in the purchase and installation of a solar energy system, small hydropower system, or geothermal machinery and equipment for heating water, space heating, air cooling, energy-efficient daylighting, heat reclamation, energy-efficient demand response, or the generation of electricity in or on a facility or home in South Carolina owned by the taxpayer. Installation must be complete before claiming the credit. The amount of credit in any year may not exceed the lesser of \$3,500 per facility or 50% of the taxpayer's tax liability. The taxpayer may carry forward the excess for up to 10 years. The statute includes definitions of "system," "small hydropower system," and "geothermal machinery and equipment." The geothermal machinery equipment provisions took effect January 1, 2016 and are repealed January 1, 2019. Credits can be claimed on **TC-38**.

#### **Credit for Manufacturers of Renewable Energy Systems and Components**

S.C. Code § [12-6-3588](#) provides a nonrefundable income tax credit to a business or corporation in the clean energy field that is expanding or locating in South Carolina. To qualify, the company must: 1) manufacture clean energy systems and components in this state for solar, wind, geothermal, or other clean energy uses; 2) invest at least (a) \$50 million in a Tier IV county, (b) \$100 million in a Tier III county, (c) \$150 million in a Tier II county, or (d) \$200 million in a Tier I county, in new qualifying plant and equipment in the year the tax credit is claimed; and 3) meet certain job and wage requirements. Annual county rankings from Tier IV to Tier I are

published at [www.dor.sc.gov](http://www.dor.sc.gov). The credit amount is 10% of qualifying expenditures made by the taxpayer. A taxpayer's total credit for all expenditures cannot exceed \$500,000 for any taxable year and \$5 million total for all taxable years. Unused credits can be carried forward for 15 years. The credit is in lieu of all other credits or abatements allowed by state law, but the taxpayer may select the credit or abatement desired in the manner prescribed by the Department. The credit is allowed for up to 60 months beginning with the first year for which the business is eligible to receive the credit, provided it becomes eligible no later than the tax year ending December 31, 2020. The taxpayer must file **TC-54A** with the Department by January 31 to certify expenditures made during the previous calendar year. The credit is claimed on **TC-54**.

### **Biofuels Production Tax Credit**

S.C. Code § [12-6-3600](#) provides nonrefundable credits against corporate or individual income tax to taxpayers that produce ethanol or biodiesel at a facility in South Carolina. The credits must be approved by the State Energy Office and claimed on **TC-14**. Beginning January 1, 2017, Section 12-6-3600(C) allows a credit for up to 36 months for new production of ethanol or biodiesel equal to 7.5¢ per gallon.

"New production" means production at a new facility, a facility that had not received credits before 2017, or an existing facility with an expanded capacity of at least two million gallons first placed into service after 2016, as certified by the facility's design engineer to the State Energy Office. For expansion of the capacity of an existing facility, "new production" means annual production in excess of 12 times the monthly average of the highest three months of ethanol or biodiesel production at an ethanol or biodiesel facility during the 24-month period immediately preceding certification of the facility by the design engineer. Credits are not allowed for expansion of the capacity of an existing facility until production is in excess of 12 times the 3-month average amount during any 12-consecutive-month period beginning no sooner than January 1, 2017.

Note: The credits in Section 12-6-3600(A) for 20¢ per gallon produced of corn-based ethanol or soy-based biodiesel and 30¢ per gallon produced of non-corn ethanol or non-soy biodiesel cannot be earned after 2016, but unused credits can be carried forward for 10 years.

### **Biofuels Credits**

S.C. Code § [12-6-3610](#) provides two nonrefundable credits against corporate or individual income tax, both of which must be certified by the State Energy Office and claimed on **TC-41**:

1. **Biofuels Distribution Infrastructure Tax Credit.** S.C. Code § 12-6-3610(A) provides credit to a taxpayer that constructs, installs, and places into service, before January 1, 2020, a qualified commercial facility for distributing or dispensing renewable fuels in the state. The amount of credit is 25% of the construction and installation costs. Eligible property includes pumps, storage tanks, and related equipment used exclusively for distribution, dispensing, and storing renewable fuel. A qualified facility must clearly label the equipment used to store or dispense the fuel as associated with renewable fuel. The credit must be taken in three equal annual installments beginning with the taxable year in which the facility is placed into service. Renewable fuel is defined as ethanol fuel blends of 70% or greater (E70) dispensed at the retail level for use in motor vehicles, and pure

ethanol or biodiesel fuel dispensed by a distributor or facility that blends these non-petroleum liquids with gasoline fuel or diesel fuel for use in motor vehicles.

2. **Biofuels Production Facility Tax Credit.** S.C. Code § [12-6-3610](#)(B) provides credit to a taxpayer that constructs and places into service, before January 1, 2020, a commercial facility for the production of renewable fuel. The credit amount is 25% of the cost of constructing or renovating a building and equipping the facility. Production of renewable fuel includes intermediate steps such as milling, crushing, and handling feedstock and the distillation and manufacturing of the final product. The entire credit must be taken in seven equal annual installments beginning with the taxable year in which the facility is placed in service. Renewable fuel is defined as liquid non-petroleum based fuel that can be placed in motor vehicle fuel tanks and used to operate on-road vehicle, including all forms of fuel commonly or commercially known or sold as biodiesel and ethanol. The credit must be claimed on **TC-41**.

### **Biomass Resource Credit**

Ending before tax year 2020, S.C. Code § [12-6-3620](#) provides a nonrefundable credit against corporate income tax and corporate license fees under S.C. Code § 12-20-50 for 25% of costs incurred by the taxpayer in purchasing and installing equipment used to create power, heat, steam, electricity, or other form of energy for commercial use from a fuel consisting of 90% or more biomass resource. “Biomass resource” is defined as non-commercial wood, by-products of wood processing, demolition debris containing wood, agricultural or animal waste, sewage, landfill gas, and other organic materials, not including fossil fuels. “Commercial use” means a use intended to generate a profit. The credit is claimed in the year the equipment is placed in service for all expenses incurred for the purchase and installation of the equipment. The taxpayer may use up to \$650,000 of credit in a tax year. Any unused credit may be carried forward 15 years. All costs must be certified by the State Energy Office. Each taxpayer must complete **TC-50A** to apply to the Department for credit by January 31 for qualifying expenses made in the previous calendar year. The credit is claimed on **TC-50**. If the equipment ceases using biomass resources as its primary fuel source before the entire credit is used, any unused credit cannot be used until it resumes using biomass resources as at least 90% of its fuel source. The carryforward period is not extended if the credit is suspended.

### **Credit for Purchasing or Constructing and Installing Alternative Fuel Property**

For tax years beginning after 2015, S.C. Code § [12-6-3695](#) provides a nonrefundable income tax credit to a taxpayer who purchases or constructs, installs, and places in service in this State eligible property used for distribution, dispensing, or storing alternative fuel at a new or existing fuel distribution or dispensing facility. The taxpayer can be a sole proprietor, partnership, corporation of any classification, limited liability company, association taxable as a business entity, or the State or any agency or instrumentality, authority, or political subdivision, including a municipality. “Eligible property” includes pumps, compressors, storage tanks, and related equipment that is directly and exclusively used for distribution, dispensing, or storing alternative fuel. “Alternative fuel” means compressed natural gas, liquefied natural gas, or liquefied petroleum gas, dispensed for use in motor vehicles and compressed natural gas, liquefied natural gas, or liquefied petroleum gas, dispensed by a distributor or facility. The credit amount is 25% of the cost to the taxpayer of purchasing, constructing, and installing the eligible property. The credit is taken in three equal annual installments beginning with the tax year in which the

property is placed in service. If property directly and exclusively used for distributing, dispensing, or storing alternative fuel is disposed of or taken out of service and not replaced during any of the years in which an installment of credit accrues, the credit expires and the taxpayer may not claim any remaining installment. An unused portion of an unexpired credit may be carried forward for 10 years. The taxpayer must place the property or facility in service before January 1, 2026.

### **Solar Energy Property Credit**

For tax years beginning after 2015, S.C. Code § [12-6-3770](#) provides a nonrefundable income tax credit to a taxpayer who constructs, purchases, or leases solar energy property included on the United States Environmental Protection Agency's National Priority List or National Priority List Equivalent Sites or on a list of related removal actions certified by the South Carolina Department of Health and Environmental Control, located in this state, and who places the solar energy property in service in this state. The amount of the credit is 25% of the cost of the property, including the cost of installation. "Solar energy property" means nonresidential solar energy equipment that has a nameplate capacity of at least 2,000 kilowatts and uses solar radiation as a substitute for traditional energy for water heating, active space heating and cooling, passive heating, daylighting, generating electricity, distillation, desalination, detoxification, or the production of industrial or commercial process heat. The term also includes related devices necessary for collecting, storing, exchanging, conditioning, or converting solar energy to other useful forms of energy. The credit is taken in five equal annual installments, beginning with the tax year in which the solar energy property is placed in service. Unused credit may be carried forward for five years. A lessor must give the lessee a statement that describes the solar energy property and states the cost of the property upon request. No credit is allowed to the extent the cost of the solar energy property is provided by public funds, not including federal grants or tax credits. If the solar energy property is disposed of, taken out of service, or moved out of the State in a year in which the installment of a credit accrues, the credit expires and the taxpayer may not take any remaining installments. A credit for each installation of solar energy property placed in service may not exceed \$2.5 million. The total amount of credits available as annual installments for all taxpayers in a tax year may not exceed \$2.5 million in the aggregate, allowed on a first-come, first-served basis. The taxpayer may not claim any other state credit for the same solar energy property, and may not claim the credit for leased solar energy property unless the taxpayer has the lessor's written certification that the lessor will not claim the credit for that property. The credit provisions are repealed on December 31, 2017. Credit earned before the repeal continues until the credits have been fully claimed.

### **Alternative Fuel Tax**

All motor fuels, including alternative fuels and alternative fuel blends, are subject to a state fuels tax when used or consumed in producing or generating power for propelling motor vehicles and are exempt from the state sales and use tax. Alternative fuels include liquefied petroleum gas, compressed natural gas, and liquefied natural gas. Blended fuels are defined as mixtures composed of gasoline or diesel fuel and another liquid, other than products such as carburetor detergent or oxidation inhibitor, which can be used as a fuel to operate a highway vehicle. (S.C. Code §§ [12-28-110](#) and [12-36-2120](#) ; [Act 160](#) (H. 4328) of 2016; [Act 269](#) (S. 1122) of 2016, §§ 1 and 2.)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.18/gallon	B100 is taxable	Impact Fee and Inspection Fee	Fuel grade ethanol is not taxable until blended	Not taxable	None

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax is due at the terminal level or on the import. The tax rate is \$0.18/gallon for clear and Dyed B100 is exempt from tax.	Ethanol is not taxed until blended. The tax rate is \$0.18/gallon. Blender’s license is required when blending.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Yes	<b>GGE = 126.67 cubic ft or 5.66 lbs</b>
<b>E85</b>	Yes	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	No	
<b>Gasoline Hybrid Vehicles</b>	Yes	<b>Not Applicable</b>
<b>Hydrogen</b>	Yes	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Yes	<b>DGE = 6.06 lbs</b>
<b>LPG (Liquefied Petroleum Gas)</b>	Yes	<b>LPG gallons x .73</b>
<b>Methanol or “M85”</b>	Yes	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable
Any petroleum product component	18 cents/gallon plus one-half a cent environmental impact fee and one-fourth a cent inspection fee	Yes

**Section 14-How does your state handle contaminated fuel?**

Per SC Code Section 12-28-770, the motor fuel user fee must be refunded to the person responsible for the contamination upon application and presentation of proof acceptable to the department.

**Section 15-Does your state allow bad debt credits?**

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked date is given consideration as a timely filed return.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

An electronic return is considered to be filed timely if it is filed on or before the due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The reports and payments would be due on the next business day.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is gasohol and is subject to the motor fuel user fee, environmental impact fee and inspection fee.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Carriers engaged in interstate transport of motor fuel subject to the user fee must file a transporter return and report both interstate and intrastate activity.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Clear diesel may be subject to sales tax if it is used for off-road purposes depending upon sales tax exemptions. Dyed diesel fuel may be subject to sales tax, depending upon sales tax exemptions. Sales tax is based on the purchase price of the fuel.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Amended returns should include only the information that is changing.

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

# STATE OF SOUTH DAKOTA *(Last updated 2015)*

## **Section 1-Contact Information**

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**E-mail Address:** [Peggy.Laurenz@state.sd.us](mailto:Peggy.Laurenz@state.sd.us) or [Lisa.Weyer@state.sd.us](mailto:Lisa.Weyer@state.sd.us)

## **Section 2-Statutes and Rules**

**Please give reference to your Statutes and Rules:**

Fuel Taxation is regulated by South Dakota Codified Law(SDCL) 10-47B

## **Section 3-State Point of Taxation**

**Gasoline:** At the terminal rack and upon import into the state

**Diesel:** At the terminal rack and upon import into the state

**Aviation Fuel:** At the terminal rack and upon import into the state

**Jet Fuel:** At the terminal rack and upon import into the state

## **Section 4-State Tax Rates**

**Gasoline:** \$.28 per gallon

**Diesel:** \$.28 per gallon

**Aviation Fuel:** \$.06 per gallon

**Jet Fuel:** \$.04 per gallon

**Ethyl Alcohol:** \$.14 per gallon

**Methyl Alcohol:** \$.14 per gallon

**LNG:** \$.14 per gallon

**CNG:** \$.10 per gallon

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver-:

Point of Taxation:

**Section 6-Rate Updates**

**Please list any rate updates for your state:** South Dakota Legislature passed a motor fuel tax increase effective April 1, 2015 that increased motor fuel, special fuel, ethyl alcohol and methyl alcohol rates by \$.06 per gallon.

**Section 7-State Collection Allowance**

Any Supplier, Out-of-State Supplier, Ethanol Producer or Ethanol Broker, who properly remits tax, is allowed to retain an amount not to exceed 2.25% of the tax required to be paid on each gallon of fuel sold.

A licensed Importer may retain an amount equal to 2/3 of the allowance provided for above for the tax timely reported and remitted by them, to the state.

An LPG Vendor may retain 2% of the first 25,000 gallons taxed each month and 1% on the gallons taxed in excess of 25,000 gallons each month. The maximum amount allowed to be retained each month is \$500.

No Allowance is permitted if the remittances of taxes due to the state are paid after the due date.

**Section 8-State Diversion Requirements**

**Diversion Required** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

SDCL 10-47B-44 to 49

**What diversion registry program do you use?**

The Trac III Diversion Registry

**What products are subject to the diversion requirement?**

All motor and special fuel products

**Diversion Requirements.**

If a shipment or partial shipment of motor fuel or special fuel needs to be legitimately diverted from the represented destination state after the bill-of-lading has been issued by the terminal operator, bulk plant operator, or transporter, or where the issuer failed to cause proper information to be printed on the document, the transporter shall issue a diversion ticket for the shipment, or partial shipment. The diversion ticket shall be mailed or faxed to the Department before the shipment is diverted and a copy of the diversion ticket shall accompany the bill-of-lading or copy thereof that is given to the bulk plant operator, wholesale distributor, retail dealer, or end consumer taking delivery of the fuel

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

The person that causes the product to be diverted

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

No, the person that causes the product to be diverted shall report it on their tax return and pay any additional taxes due or request a refund or credit of the taxes paid

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

As indicated above, the answer is no

**Any Additional Comments?**

Suppliers are no longer required to report, rebill or give credits for diversions because we found that in doing so, it caused the Supplier to amend tax return constantly, thus the person that causes the diversion is required to report it, and take care of any related changes associated with it.

**Section 9-Alternative Fuels Incentives and Laws**

**State Incentives**

**Biodiesel Production Facility Tax Refund**

A tax refund is available for contractors' excise taxes and sales or use taxes paid for the construction of a new agricultural processing facility, which includes an expansion to an existing soybean processing facility if the expansion will be used for the production of biodiesel. The project cost must exceed \$4.5 million in order to qualify for the refund. (Reference South Dakota Statutes 10-45B)

**Ethanol Production Incentive**

A \$0.20 per gallon production incentive is available to ethanol producers for ethanol that is fully distilled and produced in South Dakota. To be eligible for this incentive, the ethanol must be

denatured and subsequently blended with gasoline to create an ethanol blend. Annual production incentive payments for any facility may not exceed one million dollars. An ethanol production facility is eligible for a production incentive payment only if the facility has produced qualifying ethyl alcohol on or before December 31, 2006. No facility may receive any production incentive payments in an amount greater than ten million dollars. No facility may receive payments of more than four hundred sixteen thousand six hundred sixty-seven gallons per month. (Reference SDCL 10-47B-162)

**Biodiesel Production Tax Reduction**

Any producer of biodiesel shall maintain records of plant capacity and production and report to the Secretary of Revenue and Regulation at least quarterly. A \$.02 reduction on the tax rate of biodiesel will be implemented once a biodiesel plant reaches a name plate capacity of at least twenty million gallons per year and fully produces at least ten million gallons of biodiesel within one year. (Reference SDCL 10-47B-4 and 4.1)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.28/gallon	B100 is taxable	Subject to the Inspection Fee	\$0.14/gallon	Ethanol is taxable	Subject to the Inspection Fee

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is included in the statutory definition of special fuel and is taxed like diesel. The rate is \$0.28/gallon. The tax is due on import unless the importer is a licensed blender. Sales to a licensed blender, supplier or exporter are tax exempt	100% Ethyl Alcohol is taxed at a rate of \$0.14 cents per gallons. If the Ethanol is included in a blend, the gasoline in the blend is taxed at a rate of \$0.28 cents per gallon, and the Alcohol at \$0.14 cents per gallon. The tax is due upon import of the product. Sales to a licensed exporter are tax exempt.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$ .10 per gallon	The fuel excise tax is imposed at the equivalent rate of \$.28 per 116,090 BTU of energy of the fuel, which is

		the equivalent energy of a gallon of gasoline. The owner or operator of the motor vehicle shall remit the tax imposed by this section.
<b>E85</b>		<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>		<b>Not Applicable</b>
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	\$.14 per gallon	The fuel excise tax is imposed at the equivalent rate of \$.28 per 116,090 BTU of energy of the fuel, which is the equivalent energy of a gallon of gasoline. The owner or operator of the motor vehicle shall remit the tax imposed by this section.
<b>LPG (Liquefied Petroleum Gas)</b>	\$.20 per gallon	
<b>Methanol or "M85"</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

**Section 14-How does your state handle contaminated fuel?**

**Section 15-Does your state allow bad debt credits?**

**10-47B-134. Refund for taxes paid on fuel sold to customer whose accounts are worthless-- Sufficient evidence and testimony.** Any wholesale distributor or retail dealer licensed as a marketer in this state may apply for and obtain a refund for taxes paid to this state on any gallons of motor fuel, undyed special fuel, or liquid petroleum gas sold to customers whose accounts are found to be worthless. Accounts may not be deemed to be worthless unless they have been claimed as uncollectible and deducted as an expense on the licensee's federal income tax return.

Upon application of this refund, the department shall have cause and authority to make an assessment and take collection action against the purchaser of the fuel in accordance with the provisions of chapter 10-59. A refund claimant shall only be eligible for a refund for the taxes not paid by a customer once every three years. The department shall notify all licensed suppliers, out-of-state suppliers, and marketers that the party has been delinquent in the payment of tax and that no further refunds will be paid for sales made to the party during the next three-year period. To qualify for a refund a marketer shall supply the department sufficient evidence and testimony to enforce any tax collection action by the department.

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

**Section 22-Does your state require transporter returns and if so, who is required to report?**

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

# STATE OF TENNESSEE

## Section 1-Contact Information

**Agency:** Department of Revenue

**Name:** Ray Grigsby

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**Fax Number:** (615) 741-5319

**E-mail Address:** ray.grigsby@tn.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

## Section 3-State Point of Taxation

**Gasoline:** 1<sup>st</sup> import – TCA 67-3-301

**Diesel:** Across the terminal rack – TCA 67-3-302

**Aviation Fuel:** Across the terminal rack – TCA 67-3-303

**Jet Fuel:** TCA 67-3-303

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver:-

Point of Taxation:

## Section 5-State Tax Rates

**Gasoline:** Gasoline Tax of 24 cents per gallon (as of July 1, 2017) – TCA 67-3-201; 1 cent special tax – TCA 67-3-203; .4 cent environmental assurance fee TCA 67-3-204

**Diesel:** Diesel Tax of 21 cents per gallon (as of July 1, 2017) – TCA 67-3-202; 1 cent special tax – TCA 67-3-203; .4 cent environmental assurance fee TCA 67-3-204

**Aviation Fuel:** 1 cent special tax – TCA 67-3-203; .4 cent environmental assurance fee TCA 67-3-204

**Jet Fuel:** 1 cent special tax – TCA 67-3-203; .4 cent environmental assurance fee TCA 67-3-204

### **Section 6-Rate Updates**

**Please list any rate updates for your state:** Gasoline is increased four (4) cents on July 1, 2017, one (1) cent on July 1, 2018, and one (1) cent on July 1, 2019. Diesel is increased four (4) cents on July 1, 2017, three (3) cents on July 1, 2018, and three (3) cents on July 1, 2019.

### **Section 7-State Collection Allowance**

Collection Administration Allowance - .1% of the taxes imposed by TCA 67-3-201 and 202 on timely payments made before or by the due date.

Tare Allowance – 1.5415% of the taxes imposed by TCA 67-3-201 and 202.

### **Section 8-State Diversion Requirements**

**Diversion Required:** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.** TCA 67-3-804

**What diversion registry program do you use?**

FuelTrac

**What products are subject to the diversion requirement?**

All taxable products

**Diversion Requirements.**

Must provide notification of diversion to the commissioner, then a verification number be assigned and manually added to the face of the shipping paper. The party diverting the shipment must pay their own taxes to the respective state if the bill of lading doesn't reflect the correct destination based upon T.C.A. 67-3-513.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Only the party diverting the shipment may claim the refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No. The Supplier/Distributor should bill the customer based on the destination shown on the original bill of lading.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** No

**Any Additional Comments?**

### **Section 9-Alternative Fuels Incentives and Laws**

Tennessee is the proud home of the East Tennessee Clean Fuels Coalition ([www.etcleanfuels.org](http://www.etcleanfuels.org)) and Clean Cities of Middle Tennessee ([www.tennesseecleanfuels.org](http://www.tennesseecleanfuels.org)). Coordinator contact information is listed in the Points of Contact section.

#### **State Incentives**

##### **Provision for Establishing Alternative Fuel Refueling Infrastructure Grants**

The Tennessee Department of Transportation (TDOT) is authorized to undertake public-private partnerships with transportation fuel providers, including, but not limited to farmer cooperatives, to install refueling facilities. Refueling facilities include storage tanks and fuel pumps dedicated to dispensing biofuels, including but not limited to ethanol (E85) and biodiesel (B20). TDOT is also authorized to establish a grant program to provide financial assistance to help pay the capital costs of purchasing, preparing, and installing fuel storage tanks and fuel pumps for biofuels at private sector fuel stations. TDOT may also develop and implement a program to encourage all political subdivisions of the state and public colleges and universities to increase the number of vehicles that use alternative fuels. (Reference House Bill 2216, 2007, and Tennessee Code 54-1-136)

##### **Provision for Establishing an Alternative Fuel Research and Development Program**

The Department of Agriculture is authorized to develop and implement an alternative fuel research program to stimulate public and private research in conversion technology. This research should address converting Tennessee agricultural products, such as soybeans, switchgrass, and other biomass, into alternative fuels, as well as the production capabilities needed to deliver such alternative fuels to Tennessee consumers. (Reference House Bill 2216, 2007, and Tennessee Code 54-1-136)

### **Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.17/gallon	B100 is taxable	Subject to the Special Tax and the	\$0.20/gallon	Ethanol is taxable	Subject to the Special Tax and the

		Environmental Fee			Environmental Fee
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**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The current tax rate is \$0.17/gallon. In state manufacturers do not pay the diesel tax if sold to a TN Blender, Supplier, Bonded Importer, or Licensed Exporter.	Ethanol is treated like gasoline. It is taxed upon 1 <sup>st</sup> receipt at the rate of \$0.20/gallons.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Subject to \$0.13/gallon	5.66 lbs. equals one gallon.
<b>E85</b>	Subject to \$.20/gallon	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>		
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Subject to \$0.16/gallon	5.66 lbs. equals one gallon
<b>LPG (Liquefied Petroleum Gas)</b>	Subject to \$0.17/gallon	6.06 lbs. equals one gallon
<b>Methanol or “M85”</b>	Subject to \$0.20/gallon	<b>Not Applicable</b>
<b>Other</b>	All fuel alcohol and any substitutes for gasoline are treated as gasoline and are subject to \$0.20/gallon	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
Any petroleum product component of gasoline, such as naphtha, reformate, or toluene, that can be	<b>Subject to \$0.20/gallon</b>	<b>Yes</b>

blended for use in a motor vehicle. However, “blend stock” does not include any substance that will be ultimately used for consumer non-motor fuel use and is sold or removed in drum quantities of not more than 55 gallons at the time of the removal or sale.		

**Section 14-How does your state handle contaminated fuel?**

Where taxable diesel fuel has been accidentally contaminated by dye, the owner of the product may file a claim for refund for the diesel tax paid on the undyed fuel.

**Section 15-Does your state allow bad debt credits?**

A licensed supplier or bonded importer is entitled to a credit against taxes payable under T.C.A. title 67 chapter 3, for any tax or fee not paid to the supplier or importer by a deferred wholesaler. The supplier or bonded importer shall notify the department in writing of the default no later than 15 days after the earliest date on which the deferred wholesaler was required to make the payment. The notice shall include the name of the defaulting wholesaler, the amount of the default, whether the supplier or importer has terminated the wholesaler’s election for deferral of taxes, and the date of any termination.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Distributor Tax Report	20 <sup>th</sup> day following the month of activity	Same as report
Exporter Tax Report	20 <sup>th</sup> day following the month of activity	Same as report
Blender’s Report	20 <sup>th</sup> day following the month of activity	Same as report
Transporter’s Report	25 <sup>th</sup> day following the month of activity	Same as report
Terminal Operator Report	Last day of the month following the month of activity	Same as report

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

It is considered timely if filed on the due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The next working day following the weekend or holiday.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
	\$15.00 minimum penalty for late filing regardless of tax owed	5% of the tax due for each 1 to 30 day period, not to exceed 25 %

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

All ethanol and blends are reported as gasoline.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes. A person licensed as a transporter shall file monthly transporter reports.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

The supplier would charge its customer the applicable Tennessee taxes, even though the fuel is ultimately exported to another state. If the first customer charges its customer the destination state tax, then the first customer can take a tax paid credit on its tax return for the Tennessee taxes paid, provide certain criteria are met.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Sales tax applies to dyed diesel fuel base on a percentage of the sales price.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Most of our licensees are required to post a bond based upon tax liability. The minimum bond amount is \$1,000.00.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

- 1) **Supplier:** means a person that meets all the following conditions:
  - (i) Is subject to the general taxing jurisdiction of this state;
  - (ii) Is registered under § 4101 of the Internal Revenue Code, codified in 26 U.S.C. § 4101, for transactions in taxable motor fuels in the bulk transfer/terminal system; and
  - (iii) Is one (1) of the following:
    - (a) Is the "position holder" in a terminal or refinery in this state, or is one who receives fuel or fuel alcohol from a position holder within a terminal or refinery in this state;
    - (b) Imports taxable petroleum products into this state from a foreign country;
    - (c) Acquires taxable petroleum products from a terminal or refinery outside this state for import into this state on such person's account;
    - (d) Produces fuel alcohol or alcohol derivative substances in this state; or
    - (e) Is the receiving supplier on a two-party exchange;
- 2) **Importer's licenses -- Bonded importer's license -- Restricted importer's license.**
  - (a) A person importing taxable petroleum products into this state from outside this state, by transport truck, pipeline, barge or other conveyance, shall first obtain a bonded importer's license or a restricted importer's license, but not both.
  - (b) Applicants for a restricted importer's license must meet the following conditions:
    - (1) The taxable petroleum products imported must all be the subject of a tax pre-collection agreement with a supplier as provided in § 67-3-501, or a tax pre-collection

election as provided in § 67-3-503; and

(2) The applicant must declare the state or states in which licensed for motor fuel tax purposes and from which the applicant desires to import, and shall declare the terminal source and the supplier. A restricted importer's license shall be limited to petroleum products imported from a state listed on the license application.

(c) The department shall determine that a particular state has adopted terminal reporting requirements that are adequate to facilitate information exchange on cross-border movements of petroleum products prior to granting restricted importer's licenses to applicants for importation of taxable petroleum products from that state.

(d) A person desiring to import taxable petroleum products from another state, and who has not obtained a restricted importer's license and has not entered into an agreement to prepay this state's petroleum products taxes and fees to the supplier or permissive supplier with respect to such imports shall:

(1) Obtain a valid bonded importer's license subject to the bonding requirements of this chapter; and

(2) Comply with the payment requirements under § 67-3-502.

**Wholesaler's license.**

Any person engaged in business in this state as a wholesaler as defined in part 1 of this chapter, who does not hold a license as a supplier or bonded importer, shall first obtain a wholesaler's license. A person who acquires petroleum products from a supplier, importer or from another wholesaler, for the person's own account, may obtain a wholesaler's license; and such person thereby assumes the rights and responsibilities of wholesalers under this chapter.

**Exporter's license.**

Persons, other than licensed suppliers or licensed bonded importers, who export petroleum products to another state shall either pay Tennessee petroleum products taxes and fees to their suppliers or obtain a Tennessee exporter's license. Persons who hold a supplier's license or a bonded importer's license shall have the same privileges and responsibilities as those holding an exporter's license.

**Blender's license.**

Any person engaged in business in this state as a blender shall first obtain a blender's license.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

When filing an amended return, the taxpayer only needs to file the changes, such as transactions not previously reported and corrections. The taxpayer should not

file a full replacement for an amended return filing.

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

Late loads are not allowed.

# STATE OF TEXAS *(Last updated 2016)*

## **Section 1-Contact Information**

**Agency:** Texas Comptroller of Public Accounts

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## **Section 2-Statutes and Rules**

**Please give reference to your Statutes and Rules:**

Chapter 162, Texas Tax Code

<http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.162.htm>

Texas Tax Code

<http://www.statutes.legis.state.tx.us/>

Motor Fuel Tax Rules, Texas Administrative Code

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac\\_view=5&ti=34&pt=1&ch=3&sch=S&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=34&pt=1&ch=3&sch=S&rl=Y)

Texas Administrative Code

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac\\_view=4&ti=34&pt=1&ch=3](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=34&pt=1&ch=3)

## **Section 3-State Point of Taxation**

**Gasoline:** terminal rack

**Diesel:** terminal rack

**Aviation Fuel:** terminal rack

**Jet Fuel:** terminal rack

**Liquefied Gas:** Prior to September 1, 2015, a prepaid decal was required for Texas plated motor vehicles and \$0.15 per gallon was required to be paid by out-of-state plated vehicles, IFTA licensed vehicles, and motor vehicles operated under a Texas licensed Motor Vehicle Dealer's liquefied gas tax decal to a licensed liquefied gas dealer. Beginning September 1, 2015, no state motor fuels tax is assessed on liquefied gas (propane or butane).

**CNG:** At the pump where CNG is dispensed into a motor vehicle beginning 09/01/2013.

**LNG:** At the pump where LNG is dispensed into a motor vehicles beginning 09/01/2013.

**Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver-:

Point of Taxation:

**Section 5-State Tax Rates**

**Gasoline:** \$0.20 per gallon

**Diesel:** \$0.20 per gallon

**Aviation Fuel:** \$0.20 per gallon

**Jet Fuel:** \$0.20 per gallon

**Liquefied Gas:** \$0.15 per gallon paid by out-of-state plated vehicles, IFTA licensed vehicles, and motor vehicles operated under a Texas licensed Motor Vehicle Dealer's liquefied gas tax decal to a licensed liquefied gas dealer. Beginning September 1, 2015, no state motor fuels tax assessed on liquefied gas (propane or butane).

**CNG:** \$0.15 per gasoline gallon equivalent or diesel gallon equivalent

**LNG:** \$0.15 per gasoline gallon equivalent or diesel gallon equivalent

**Section 6-Rate Updates**

**Please list any rate updates for your state:**

The current rates for gasoline, diesel fuel, aviation fuel, and/or jet fuel have been in effect since September 1, 1991. The imposition of tax on CNG and LNG moved to the person dispensing the CNG and LNG into a motor vehicle on September 1, 2013. Prior to September 1, 2013, CNG and LNG users were required to obtain a prepaid LG decal. Beginning September 1, 2015, no state motor fuels tax assessed on liquefied gas (propane or butane).

## **Section 7-State Collection Allowance**

The licensed supplier or permissive supplier (position holder in terminal) receives a 2 percent timely filing and payment allowance. The distributor or importer purchasing fuel from the terminal who timely pays tax to the Texas licensed supplier or permissive supplier receives 1.75 percent of the 2 percent; meaning the supplier or permissive supplier retains 0.25 percent. An importer who timely pays the tax on fuel imported into the state directly to the state receives a 2 per cent timely filing and payment allowance. Sections 162.113 and 162.116 for gasoline and 162.214 and 162.217 for diesel fuel.

<http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.162.htm>

The licensed liquefied gas dealer receives a 1 percent timely filing and payment allowance. Beginning September 1, 2015, no state motor fuels tax on liquefied gas (propane or butane) so all liquefied gas dealer licenses will be cancelled.

The licensed CNG and/or LNG dealer receives a 1 percent timely filing and payment allowance. Section 162.362. <http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.162.htm>

## **Section 8-State Diversion Requirements**

### **Diversion Required**

Yes.

### **If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

Sections 162.004(e) and 162.016(g), Texas Tax Code, and Rule 3.441 (d), Texas Administrative Code. <http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.162.htm>

### **What diversion registry program do you use?**

In house. The toll free number to obtain a Diversion Number on motor fuel delivered to a destination state different than the destination state printed on Bill of Landing, delivery manifest or shipping document is (877) 976-7800.

### **What products are subject to the diversion requirement?**

All gasoline and diesel fuel.

### **Diversion Requirements.**

An importer or exporter who diverts fuel must obtain a diversion number from the comptroller. It must be obtained within 72 hours and must be written on all copies of the shipping document.

### **What party should apply for the refund if applicable? (Supplier, customer, etc.)**

The purchaser who diverted the product must apply for the refund. The supplier may not refund any taxes due to the diversion of a product.

### **Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

The supplier is not allowed to rebill or give a credit for a diverted load.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** No, it is the responsibility of the purchaser.

### **Any Additional Comments?**

A terminal operator or bulk plant operator may rely on the representation made by the purchaser of motor fuel or the purchaser's agent concerning the destination state of the motor fuel. A purchaser is liable for any tax due as a result of the purchaser's diversion of motor fuel from the represented destination state. The purchaser is responsible for paying the applicable destination state taxes along with filing a refund with the origin state. The supplier may not refund any taxes due to the diversion of a product.

## **Section 9-Alternative Fuels Incentives and Laws**

Texas is the home of the Alamo Area ([www.aacog.com/cleancities](http://www.aacog.com/cleancities)), Central Texas ([www.cityofaustin.org/cleancities](http://www.cityofaustin.org/cleancities)), Dallas/Fort Worth ([www.nctcog.org/cleancities](http://www.nctcog.org/cleancities)), East Texas (<http://www.netac.org/283/Clean-Cities.htm>), Greater Houston Regional ([www.houston-cleancities.org](http://www.houston-cleancities.org)), and South East Texas Clean Cities Coalitions ([http://www.setrpc.org/ter/index.php?option=com\\_content&view=article&id=16&Itemid=24](http://www.setrpc.org/ter/index.php?option=com_content&view=article&id=16&Itemid=24)). Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

#### **Heavy-Duty Natural Gas Vehicle (NGV) Grants**

To encourage fleets to increase their use of heavy-duty NGVs, the Texas General Land Office (GLO) has an NGV Initiative Grant Program available for public-sector partners in certain Texas counties. The program is funded with a Texas Emissions Reduction Plan grant through the Texas Commission on Environmental Quality. A variety of vehicles, including street sweepers, forklifts, buses, and garbage trucks, are eligible for grants to help cover the cost of replacing diesel vehicles with NGVs. For more information about the program and eligible counties, see the <http://www.tceq.texas.gov/airquality/terp/tngvgp.html>.

**Alternative Fuel Vehicle (AFV) Grants** The Adopt-A-School Bus Program, a cooperative partnership between the U.S. Environmental Protection Agency, state agencies, local elected officials, and corporate sponsors, was established as a nonprofit grant program to aid local school districts replacing their aging, diesel school bus fleets with new clean fuel buses. In an effort to ensure the longevity of the new buses, a portion of all grant money awarded is earmarked for fleet infrastructure and maintenance. For more information, please visit the Web sites for [Dallas-Fort Worth](http://www.seco.cpa.state.tx.us/funding/sep/sep_2-2_alt_fuel.php) and [San Antonio/Alamo Area](http://www.seco.cpa.state.tx.us/funding/vehicle.php). [http://www.seco.cpa.state.tx.us/funding/sep/sep\\_2-2\\_alt\\_fuel.php](http://www.seco.cpa.state.tx.us/funding/sep/sep_2-2_alt_fuel.php) or <http://www.seco.cpa.state.tx.us/funding/vehicle.php>.

#### **Clean Vehicle and Equipment Grants**

The Texas Emissions Reduction Plan (TERP) provides grants for various types of clean air projects in 41 counties to improve air quality in the state's non-attainment areas. Grants are available for new, converted, or repowered on-road and off-road vehicles and equipment. For complete information on the types of projects and expenses that may be eligible for a grant, refer to <http://www.tceq.state.tx.us/airquality/terp/erig.html>,

[http://www.tceq.texas.gov/airquality/terp/erig\\_apps.html](http://www.tceq.texas.gov/airquality/terp/erig_apps.html) , or  
[http://www.tceq.texas.gov/assets/public/comm\\_exec/pubs/rg/rg388/rg-388.pdf](http://www.tceq.texas.gov/assets/public/comm_exec/pubs/rg/rg388/rg-388.pdf) .

**Alternative Fuel Grants**

The Texas Emissions Reduction Plan (TERP) provides grants for alternative fuel and advanced technology demonstration and infrastructure projects under the New Technology Research and Development (NTRD) Program, which provides incentives to encourage and support research, development, and commercialization of technologies that reduce pollution in Texas. The NTRD Program is administered by the Texas Environmental Research Consortium, with support from the Houston Advanced Research Center. (Reference [Texas Statutes](#), Health & Safety Code, Chapter 386 at <http://www.statutes.legis.state.tx.us/Docs/HS/htm/HS.386.htm#386.001> )

**Section 10-Taxability & Tax Rates for Biodiesel/Renewable Diesel Fuel and Ethanol**

<b>B00 / R00</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol – E00</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.20/gallon	Not taxable	Not taxable	\$0.20/gallon	Not taxable	Not taxable

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel / Renewable Diesel Fuel</b>	<b>Ethanol</b>
There is no tax on B00 or R00. The volume of biodiesel or renewable diesel fuel blended with petroleum diesel fuel is exempt from the \$0.20 per gallon state tax when clearly identified on the sales invoice, retail pump, and storage tank. Only the volume of petroleum diesel in the blend is taxable. Tax is due on import.	There is no Motor Fuel License required for 100% Ethanol; however, you must be licensed with a Texas Limited Sales and Use Tax License. Ethanol becomes taxable when used as a feedstock for gasoline. The tax rate is \$0.20/gallon. In order to blend ethanol you must be registered as a Supplier, Permissive Supplier or a distributor <u>when making wholesale sales. If blending for own use or sale through own retail dealer location you must be registered as a blender.</u>

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$0.15 per gallon when dispensed into a motor	Converted to gasoline gallon equivalent (5.660 lbs) or diesel

	vehicle beginning September 1, 2013.	gallon equivalent <u>(6.380 lbs)</u> .
<b>E85</b>	\$0.20 per gallon	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>		
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	\$0.15 per gallon when dispensed into a motor vehicle beginning September 1, 2013	Converted to gasoline gallon equivalent <u>(5.370 lbs)</u> or diesel gallon equivalent <u>(6.060 lbs)</u> .
<b>LPG (Liquefied Petroleum Gas)</b>	Prior to September 1, 2015, prepaid decal for TX-plated motor vehicles and \$0.15 per gallon for out-of-state plated motor vehicles and IFTA licensed vehicles. Beginning September 1, 2015, no motor fuels tax on Liquefied Petroleum Gas.	
<b>Methanol or "M85"</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
	<b>Subject to Texas Sales and Use Tax. Not subject to motor fuels tax until blended with a petroleum product.</b>	<b>Not reportable on the monthly Texas Fuels Tax Report until blended with a petroleum product.</b>

**Section 14-How does your state handle contaminated fuel?**

Gasoline and diesel fuel that becomes contaminated and is no longer suitable for use as a motor fuel is eligible for tax refund. Records are required that document; how the fuel was contamination, the amount of fuel contaminated before and after the incident, and the disposal of the contaminated gasoline or diesel fuel.

**Section 15-Does your state allow bad debt credits?**

A licensed supplier, permissive supplier, or distributor who has sold tax-paid gasoline or diesel fuel on account and a licensed compressed natural gas/liquefied natural gas dealer who has sold tax-paid compressed natural gas/liquefied natural gas on account may claim a refund of the tax paid when the account is written off their accounting books as an uncollectable bad debt. Any money received as a payment on the account must be applied ratably between the amount the product sold and the amount of tax.

A licensed supplier or permissive supplier may take a 100% credit for taxes previously paid on gasoline or diesel fuel removed from an IRS registered terminal when the distributor or importer defaults on the deferred payment of tax to the supplier or permissive supplier. The supplier or permissive supplier must notify the comptroller within 15 days of the default. Sections 162.116 for gasoline and 162.217 for diesel fuel.

<http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.162.htm>

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
All motor fuel reports.	25 <sup>th</sup> day of the month following the reporting period.	25 <sup>th</sup> day of the month following the reporting period.
IFTA reports.	Last day of the month following the reporting quarter.	Last day of the month following the reporting quarter.

Monthly returns are due on the 25th day of the month following the end of the calendar month. Quarterly returns are due on the 25th day of the month following the end of the calendar quarter. Yearly returns are due on January 25th. Texas Fuels Tax Code, Sections 162.114 for gasoline, 162.215 for diesel fuel, and 162.362 for compressed natural gas and liquefied natural gas can be found at <http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.162.htm> . The IFTA tax return and full payment of taxes are due on the last day of the month following the reporting quarter period for which the tax return is due. (IFTA Articles of Agreement - R960.100).

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmark date or hand delivered to a Comptroller field office on or before the due date is timely filed. If a tax payment or a report is placed in a U.S. Post Office or in the hands of a common or contract carrier properly addressed to the comptroller on or before the date the payment or report is required to be made or filed, the payment or report is made or filed on time. Tax Code, Chapter 111, Section 111.054(a) can be found at <http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.111.htm#111.001> .

**Section 18-When filing a return electronically, what time is considered timely?  
(Example: 11.59 pm on due date)**

Electronic filers must comply with established report due dates. Approved electronic tax filers can make their payments using the Electronic Data Interchange (EDI) payment option or continue to make their payments by Electronic Funds Transfer (EFT) or by check if the license holder is not a mandatory EFT Payer. If the license holder transmits their tax payment with their report, the license holder must complete the transaction before 2:30 p.m. (CT) the last banking day before the due date. The license holder’s return without payments must be completed by 11:59 p.m. (CT) on the due date. Any return transmitted after this time is considered late and appropriate penalties will be assessed. Returns filed after the due date are assessed a \$50 late filing fee. For the license holder’s convenience, the system operates 24 hours a day. EDI filers transmitting returns to the Comptroller will receive a “confirmation number” upon completion of the transmission. This is the taxpayer’s receipt for an electronically filed return.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

If the date on which a report or payment of any state tax is due falls on a Saturday, Sunday, or legal holiday, the next day that is not a Saturday, Sunday, or legal holiday becomes the due date. Tax Code, Chapter 111, Section 111.053(a) can be found at <http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.111.htm#111.001> . For IFTA returns and payments, if the last day of the month falls on a Saturday, Sunday, or legal holiday, the next business day is considered the due date. (IFTA Articles of Agreement - R960.100).

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
All motor fuel reports.	\$50 for late filing even if \$0 or a credit or refund due.	
All motor fuel reports.		1-30 days late is a 5% penalty.
All motor fuel reports.		31 days or more days late is a 10% penalty.

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is gasohol and included in our definition of gasoline and subject to Texas motor fuels tax. E85 is not reported separate from any other gasohol. Any ethanol blended fuel from E85 down is reported on the gasohol line. Gasohol is defined as a blended motor fuel composed of gasoline and motor fuel alcohol. If any blend over E85 is sold, used or capable of being used as a motor fuel, it is subject to motor fuels tax and reported on the motor fuels tax return. Motor fuel is defined as gasoline, diesel fuel, gasoline blended fuel, compressed natural gas, liquefied natural gas, and other products that are offered for sale, sold, used, or capable of use as fuel for a

gasoline-powered engine or a diesel-powered engine. For example, if someone was selling an E86 - E92 and the ethanol blended fuel is offered for sale, sold, used, or capable of use as a fuel for a gasoline-powered engine or a diesel-powered engine, it would be subject to Texas motor fuels tax. Definitions of gasohol and motor fuel can be found <http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.162.htm> .

### **Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes, a person who does not hold title to the motor fuel being transported and who transports gasoline, diesel fuel, gasoline blended fuel, aviation fuel, or any other motor fuel outside the bulk transfer/terminal system by means of a transport vehicle, a railroad tank car, or a marine vessel is required to obtain a motor fuel transporter license and report quarterly. A carrier transporting liquefied gas, compressed natural gas, or liquefied natural gas is not required to obtain a motor fuel transporter license. <http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.162.htm>

### **Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

The Comptroller's office allows flash title transactions with recordkeeping requirements to track the bill of lading number printed at the Texas IRS-registered terminal.

The licensed supplier/distributor that is the first purchaser or first receiver at the IRS-registered terminal in Texas will have the option to swipe a Texas destination and remit Texas motor fuels tax since the licensed supplier/distributor is reselling the motor fuel in Texas and allow the exporter to request the refund directly from the Texas Comptroller of Public Accounts, or if declared a flash title transaction, the licensed supplier/distributor, which is the first purchaser or first receiver, may swipe the destination state's card and remit the destination state's motor fuels tax which is printed on the bill of lading to the licensed supplier. Each time the motor fuel is resold in Texas, the Texas licensed seller must report the motor fuel using the same BOL number.

Since the first purchaser or first receiver at the Texas terminal rack is not the actual exporter of record, they cannot report the gallons exported because the gallons were actually resold in Texas and not exported by the first purchaser or first receiver. On the monthly Texas Fuels Tax Report, the first purchaser or first receiver and any person reselling motor fuel in Texas purchased in a flash title transaction must report the motor fuel sold on line # 16, "Gallons sold tax-free for export", until the motor fuel is actually exported from Texas at which time the actual exporter of record will reported the gallons exported on line # 15, "Gallons exported."

Both lines require the BOL number issued by the licensed supplier at the IRS terminal be reported on the accompanying schedule. Any misreporting or non-reporting by the Texas licensed seller or exporter constitutes a taxable Texas transaction.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

No. The Texas Sales and Use Tax Code Section 151.308(a)(2) exempts motor fuels and special fuels as defined, taxed, or exempted by Texas Motor Fuels Tax Code Chapter 162.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

A bond is required by a supplier, permissive supplier, distributor, exporter, importer, or blender when the application is submitted. A motor fuels license applicant, other than a supplier or permissive supplier, must post a bond equal to two times the maximum amount of tax that could accrue during a reporting period with a minimum bond of \$30,000. To obtain a supplier or permissive supplier's license, the applicant must post a minimum \$600,000 bond.

The bond may be in the forms of a surety bond, cash in the form of United States currency in an amount equal to the required bond, a certificate of deposit in any Texas bank or savings and loan association that is a member of the Federal Deposit Insurance Corporation in an amount equal to the bond amount assigned to the comptroller, or an irrevocable letter of credit to the comptroller from any Texas bank or savings and loan association that is a member of the Federal Deposit Insurance Corporation in an amount of credit at least equal to the bond amount.

A license holder who has filed a bond or other security is entitled, on request, to have the comptroller return, refund, or release the bond or security if in the judgment of the comptroller the person has for four consecutive years continuously complied with the conditions of the bond or other security filed. <http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.162.htm>

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

# STATE OF UTAH

## **Section 1-Contact Information**

**Agency:** Utah State Tax Commission

**Name:** John Manning

**Street Address:** 210 N 1950 West

**City, State Zip Code:** SLC Utah 84134

**Phone Number:** 801-297-4678

**Fax Number:** 801-297-4799

**E-mail Address:** jmanning@utah.gov

## **Section 2-Statutes and Rules**

**Please give reference to your Statutes and Rules:** Utah Tax Code 59-13

## **Section 3-State Point of Taxation**

**Gasoline:** Distributor

**Diesel:** Rack

**Aviation Fuel:** Distributor

**Jet Fuel:** Distributor

## **Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.**

First Receiver-:

Point of Taxation: Utah Tax Code 59-13

## **Section 5-State Tax Rates**

**Gasoline:** 29.4 cents/gallon until December 31, 2017. A new rate will be calculated and be in place for the period January 1, 2018 to December 31, 2018.

**Diesel:** 29.4 cents/gallon until December 31, 2017. A new rate will be calculated and be in place for the period January 1, 2018 to December 31, 2018.

**Aviation Fuel:** 2.5 cents for federally certificated air carriers (@ international airport)  
6.5 cents for federally certificated air carriers (airports other than international)  
9 cents/gallon all other operations

**Jet Fuel:** same as aviation fuel

**Environmental Assurance Fee:** 13/20 cents per gallon.

**CNG:** 12.5 cents/GGE until June 30, 2017. 14.5 cents/GGE beginning July 1, 2017 until June 30, 2018. 16.5 cents/GGE beginning July 1, 2018.

**LNG:** 12.5 cents/DGE until June 30, 2017. 14.5 cents/DGE beginning July 1, 2017 until June 30, 2018. 16.5 cents/DGE beginning July 1, 2018.

**Hydrogen:** 12.5 cents/GGE until June 30, 2017. 14.5 cents/DGE beginning July 1, 2017 until June 30, 2018. 16.5 cents/GGE beginning July 1, 2018.

### **Section 6-Rate Updates**

**Please list any rate updates for your state:**

Utah's Environmental Assurance Fee goes from 1/2 cent per gallon to **13/20** cent per gallon.  
This takes effect January 1, 2015.

Motor Fuel beginning January 1, 2017 goes from 29.4 cents/gallon to a new calculated rate that will be determined.

Diesel Fuel beginning January 1, 2017 goes from 29.4 cents/gallon to a new calculated rate that will be determined.

CNG beginning July 1, 2017 goes from 12.5 cents/GGE to 14.5 cents/GGE until June 30, 2018.

LNG beginning July 1, 2017 goes from 12.5 cents/DGE to 14.5 cents/DGE until June 30, 2018.

Hydrogen beginning July 1, 2017 goes from 12.5 cents/GGE to 14.5 cents/GGE until June 30, 2018.

### **Section 7-State Collection Allowance**

## **Section 8-State Diversion Requirements**

**Diversion Required** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?** Fueltrac3

**What products are subject to the diversion requirement?** N/A

### **Diversion Requirements.**

Must credit/rebill because tax, penalty and interest would apply to the supplier.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Supplier must request refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No requirement

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

Utah is the proud home of the Utah Clean Cities Coalition ([www.utahcleancities.org](http://www.utahcleancities.org)).

Coordinator contact information is listed in the Points of Contact section.

### **Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Grants and Loans**

The Utah Clean Fuels and Vehicle Technology Grant and Loan Program, funded through the Clean Fuels and Vehicle Technology Fund, provides grants and loans to assist businesses and government entities in covering: the cost of converting a vehicle to operate on clean fuels; the incremental cost of purchasing an Original Equipment Manufacturer (OEM) clean fuel vehicle; and the cost of retrofitting diesel vehicles with U.S. Environmental Protection Agency verified closed crankcase filtration devices, diesel oxidation catalysts, and/or diesel particulate filters.

The Clean-Fuels Grant and Loan Program also provide loans for the purchase of fueling equipment for public/private sector business and government vehicles. In addition, the program can provide grants to serve as matching funds for federal and non-federal grants for the purpose of purchasing fueling equipment for public/private sector business and government vehicles. Finally, the program can provide grants and loans to serve as matching funds for federal and non-federal grants for the purpose of converting vehicles to operate on a clean fuel, purchasing OEM clean fuel vehicles, or retrofitting diesel vehicles.

The following are some of the restrictions and limitations of the grant and loan program

- The annual combined total for all both grants and loans approved shall not exceed a maximum of \$250,000 for a total of \$500,000 per year.
- The maximum amount that may be approved by the Department for a loan or a grant is \$100,000 per project; the minimum amount that may be approved is \$5,000 per project.
- The maximum number of vehicles purchased, converted, or retrofitted using grant funds by any fleet operator shall not exceed 100 vehicles.
- Bi-fuel vehicles must operate on the clean-fuel at least 70% of vehicle miles traveled beginning at the time of conversion or purchase of the vehicle.
- Hybrid electric vehicles are not eligible for loans or grants under this program.  
(Reference [Utah Code](#) 19-1-403 and 19-1-404)

**Alternative Fuel Vehicle (AFV) Tax Credit**

The Utah Legislature revised the State’s Clean Air and Efficient Vehicle Tax Incentives during the 2008 legislative session. This revision reduced the tax credit for natural gas Original Equipment Manufacturer (OEM) vehicle to the lesser of \$2500 or 35% of the vehicle's purchase price. This revision also allows for a \$750 tax credit for the original purchase of new vehicles that meet air quality and fuel economy standards. This revision also eliminates a provision that excludes hybrid electric- gasoline vehicles from the tax credit; however they would need to meet air quality and fuel economy standards to be eligible. The tax credit for conversion is 50% of the conversion cost up to \$2,500. If not previously used, the tax credit on used vehicles may be claimed. Tax credits are available for businesses and individuals, may be carried forward up to five years. Documentation must be provided as described in the Utah state tax form TC-40V. This incentive expires December 31, 2010. (Reference House Bill 106, 2008, Utah Code 59-7-605 and 59-10-127).

**Alternative Fuel Vehicle (AFV) Parking Incentive**

Salt Lake City has established a free metered parking program for “Green Vehicles”, which are vehicles that can be powered solely by an alternative fuel (propane, compressed natural gas, or electricity) or that are top performers in regards to city fuel economy or emissions. Vehicles must have a Utah Clean Fuel special group license plate, or qualify for a Salt Lake City Green Vehicle parking permit by meeting the following conditions: 1) achieve 50 miles per gallon or greater in fuel economy, or 2) achieve a [U.S. Environmental Protection Agency pollution score](#) of at least eight and are new vehicles available for sale as in areas that include Utah. Green Vehicle parking permits are available from the Salt Lake City Transportation Division.

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.294gallon or current rate	B100 is taxable		\$0.294/gallon or current rate	\$0.294/gallon or current rate	

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. It is taxed at \$0.294/gallon or current rate.	Ethanol is not reportable until blended with gasoline. The tax rate is \$0.294/gallon or current rate.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$0.145 per GGE	<b>120 cubic feet 5.660 pounds of CNG = 1 gasoline gallon equivalent</b>
<b>E85</b>		<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	Not Currently Taxed	
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>	\$0.145 per gallon equivalent	<b>Not Applicable 2.198 pounds of Hydrogen = 1 gasoline gallon equivalent</b>
<b>LNG (Liquefied Natural Gas)</b>	\$0.145 per gallon equivalent	<b>1 liquid gallon equivalent 6.06 pounds of LNG = 1 diesel gallon equivalent</b>
<b>LPG (Liquefied Petroleum Gas)</b>	Not Currently Taxed	
<b>Methanol or “M85”</b>		<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

**Section 14-How does your state handle contaminated fuel?**

See Utah Code 59-13

**Section 15-Does your state allow bad debt credits?**

No

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

**Section 18-When filing a return electronically, what time is considered timely?  
(Example: 11.59 pm on due date)**

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
	See Utah Code 59-1	

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is taxed as Motor Fuel

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes – See Utah Tax Code 59-13

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Sales tax is imposed on Dyed Diesel (see Utah Tax Code 59-12)

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

See Utah Tax Code 59-13

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

See Utah Tax Code 59-13

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Yes – Entire return to be amended

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

Late loads not accepted. Amended returns required.

# STATE OF VERMONT

## Section 1-Contact Information

**Agency:** Agency of Transportation

**Name:** Donna Earle

**Street Address:** 120 State Street

**City, State, Zip Code:** Montpelier, VT 05603

**Phone Number:** 802-828-2066

**Fax Number:** 802-828-2170

**E-mail Address:** donna.earle@vermont.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

23 VSA Chapter 27 - Diesel

23 VSA Chapter 28 - Gas

DMV Rule – APA29

## Section 3-State Point of Taxation

**Gasoline:** Distributor

**Diesel:** Distributor

**Aviation Fuel:** Distributor

**Jet Fuel:** Subject to Sales Tax, Vermont Department of Taxes

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver: MF - Importer (T.23 V.S.A. § 3101), Diesel – Distributor (T.23 V.S.A. § 3003)

Point of Taxation: Distributor (T.23 V.S.A. § 3106) & (T.23 V.S.A. § 3003)

## **Section 5-State Tax Rates**

**Gasoline:** \$0.121 tax + MFTIA Fee + MFTA Fee + \$.01 clean up fee per gallon

**Diesel:** \$0.28 tax + \$.03 MFTA Fee + \$.01 clean up fee per gallon

**Aviation Fuel:** Same as Gasoline above

**Jet Fuel:** Subject to 6% Sales Tax (Administered by the Vermont Department of Taxes)

**Gasoline MFTIA** – Fee adjusted for each calendar quarter

**Gasoline MFTA** - Fee adjusted for each calendar quarter

## **Section 6-Rate Updates**

**Please list any rate updates for your state:**

All fuel types listed have an additional \$0.01 per gallon petroleum clean up fee in addition to the tax. This fee is applied to all fuel products including heating fuels, B100 & kerosene.

Gasoline also has a Motor Fuel Transportation Infrastructure Assessment (MFTIA) fee that is determined on a quarterly basis by using a rate that is the greater of 2% of the average retail price of gasoline during the previous calendar quarter or a statutory floor rate of \$0.0396.

Gasoline also has a second Motor Fuel Transportation Assessment (MFTA) fee that is determined on a quarterly basis by using a rate that is the greater of 4% of the average retail price of gasoline during the previous calendar quarter, capped at \$0.18 or a statutory floor rate of \$0.134.

Diesel Fuel has an additional \$0.03 per gallon Motor Fuel Transportation Infrastructure Assessment (MFTIA) fee. Currently, the diesel MFTIA fee does not fluctuate.

## **Section 7-State Collection Allowance**

Vermont does not have a collection allowance

## **Section 8-State Diversion Requirements**

**Diversion Required:** No

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

**What products are subject to the diversion requirement?**

**Diversion Requirements.**

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Supplier (Distributor) must request refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load? Yes**

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?**

**Any Additional Comments?**

**Section 9-Alternative Fuels Incentives and Laws**

Vermont is the proud home of the Vermont Clean Cities Coalition ([www.uvm.edu/~cleancty/](http://www.uvm.edu/~cleancty/)). Coordinator contact information is listed in the Points of Contact section.

**State Incentives**

**Alternative Fuel Vehicle (AFV) and Hybrid Electric Vehicle (HEV) Research and Development Tax Credit**

Vermont businesses involved exclusively in the design, development, and manufacture of electric vehicles (EVs), AFVs, HEVs, as well as energy technology involving fuel sources other than fossil fuels, and qualify as a “high-tech business” are eligible for up to three of the following tax credits: 1) payroll income tax credit; 2) qualified research and development income tax credit; 3) export tax incentive; 4) small business investment tax credit; and 5) high-tech growth tax credit. Certain limits and restrictions apply. (Reference [Vermont Statutes](#) Title 32, Chapter 151, Section 5930k)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
Exempt	Any blend less than B100 is taxable	< B100 taxed as diesel fuel, see above	Taxable	Ethanol is taxed as gasoline, see above	

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax	Ethanol is treated like gasoline. Subject to

becomes due when blended and is suitable for use as a motor fuel.	Gasoline tax rate state above. Sales to licensed distributors are tax free.
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**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

Fuel Type	Taxability	Conversion Rate if applicable
<b>CNG (Compressed Natural Gas)</b>	Currently not subject to Motor Fuel Tax	
<b>E85</b>	Taxable	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	Currently not subject to Motor Fuel Tax	
<b>Gasoline Hybrid Vehicles</b>	Taxable	<b>Not Applicable</b>
<b>Hydrogen</b>	Currently Not Taxable	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Currently Not Taxable	
<b>LPG (Liquefied Petroleum Gas)</b>	Currently Not Taxable	
<b>Methanol or “M85”</b>	Currently Not Taxable	<b>Not Applicable</b>
<b>Other</b>	N/A	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

Blendstock	Tax Rate	Reportable

**Section 14-How does your state handle contaminated fuel?**

Vermont handles contaminated fuel on a case by case basis and does not have a standard or stated policy on contaminated fuel.

**Section 15-Does your state allow bad debt credits?**

Vermont does not allow for bad debt credits.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Motor Fuel Distributor	25 <sup>th</sup> day of following month	25 <sup>th</sup> day of following month
Diesel Distributor	25 <sup>th</sup> day of following month	25 <sup>th</sup> day of following month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Vermont determines tax reports timely filed by postmark.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Vermont currently does not accept electronic returns, only payments

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Returns and payments are due on the next business day

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Motor Fuel Distributor	\$10.00	\$10.00
Diesel Distributor	\$10.00	\$10.00

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

All Ethanol blends are subject to Vermont Motor Fuel tax. Vermont does not have percentage ranges for Ethanol blends.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Vermont does not require transporter returns.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Vermont does not impose sales tax on gasoline or clear diesel fuel. Dyed diesel may be subject to Vermont sales tax when used in certain circumstances.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

Vermont requires Motor Fuel & Diesel Distributors to be licensed and bonded. The bonding requirements for licensed Distributors can be found under T.23 V.S.A. § 3117 for Motor Fuels and T.23 V.S.A. § 3011 for Diesel.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

# STATE OF VIRGINIA

## Section 1-Contact Information

**Agency:** VA Department of Motor Vehicles

**Name:** Tammy West

**Street Address:** 2300 W. Broad Street

**City, State Zip Code:** Richmond, VA 23269

**Phone Number:** 804.367.0883

**Fax Number:** 804.367.0233

**E-mail Address:** Tammy.West@dmv.virginia.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Code of Virginia Chapter 22

## Section 3-State Point of Taxation

**Gasoline:** Terminal Rack

**Diesel:** Terminal Rack

**Aviation Fuel:** Terminal Rack

**Jet Fuel:** Terminal Rack

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-:

Point of Taxation: When Fuel leaves terminal and crosses the rack.

## Section 5-State Tax Rates

**Gasoline:** Effective July 1, 2017-.162 cents per gallon

**Diesel:** Effective July 1, 2017-.202 cents per gallon

**Aviation Fuel:** Aviation Gas -.05

**Jet Fuel:** Aviation Jet - .05

For Aviation Consumers-.05 for first 100,000 gallons of aviation jet fuel, excluding bonded aviation jet fuel, per fiscal year and .005 for any aviation jet fuel gallons, excluding bonded aviation jet fuel, over 100,000 per fiscal year.

### **Section 6-Rate Updates**

**Please list any rate updates for your state:** Rates are calculated and changed in January and July each year. Rates have not changed since January 2015.

### **Section 7-State Collection Allowance**

Discounts in VA:

Percentage Discount:

Licensed Distributor and Importer - one percent of tax (.01) for remitting the tax due a supplier timely.

Administrative discount:

Suppliers and Providers of Alternative Fuel - one-tenth of one percent (.001) not to exceed \$5,000 per month for payment and timely filing.

Percentage discount

Suppliers - who sell directly to unlicensed distributor, bulk user, retailer or user of fuel may take -one-half of one percent (.005)

### **Section 8-State Diversion Requirements**

**Diversion Required:** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

Code of Virginia-58.1-2263.D.3 (a, b, c)

**What diversion registry program do you use?** FuelTrac.US/Trac3

**What products are subject to the diversion requirement?**

All motor fuel products.

**Diversions Requirements.**

Per 58.1-2263 - Purchaser shall be liable for any tax due as a result of the purchaser’s diversion of fuel from the represented destination state. They must notify the Commissioner before transporting the fuel that they have received instructions that destination has changed; receive confirmation number from the Commissioner authorizing the diversion; and write on the shipping document the change in destination state and the confirmation number for the diversion-

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Supplier /customer.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** The Supplier/Distributor is not required to rebill or give credit for diverted loads.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** Yes

**Any Additional Comments?**

Per 58.1-2263.c - A terminal operator or bulk plant operator may rely on the representation made by the purchaser of motor fuel or the purchaser’s agent concerning the destination state of the motor fuel. A purchaser shall be liable for any tax due as a result of the purchaser’s diversion of fuel from the represented destination state.

**\*\*\*The following section (Section 9) cannot be validated by the DMV  
Motor Fuels Tax Section.**

**Section 9-Alternative Fuels Incentives and Laws**

Virginia is the proud home of the Hampton Roads Clean Cities Coalition ([www.hrccc.org](http://www.hrccc.org)). Coordinator contact information is listed in the Points of Contact section.

**State Incentives**

**Biofuels Production Grants**

The Biofuels Production Fund is established to provide grants to producers of biofuels, specifically ethanol and biodiesel. Biodiesel fuels are defined as renewable, biodegradable, mono-alkyl ester combustible liquid fluid fuels from agricultural plant oils or animal fats that meet American Society for Testing and Materials (ASTM) specifications for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels. Ethanol fuels must also meet applicable ASTM specifications and be denatured as specified in Title 27 of the Code of Federal Regulations, Parts 20 and 21. A biofuels producer is eligible for a grant of \$0.10 per gallon of neat biofuels sold in the Commonwealth on or after January 1, 2007. To qualify, a biofuels producer must produce at least 10 million gallons of neat biofuels in the calendar year in which the incentive is taken. If a producer began selling neat biofuels prior to January 1, 2007, the producer is eligible for a grant only if its production of neat biofuels for the given calendar year exceeds its production in the 2006 calendar year by at least 10 million gallons and is maintained at a minimum of that level in future years. Each producer is only eligible for six calendar years of grants. Effective July 1,

2007, a biofuels producer must produce at least two million gallons of neat biofuels in the calendar year in which the incentive is taken, or exceed its 2006 production by at least two million gallons. (Reference House Bill 3089, 2007, and Virginia Code 45.1-393 and 45.1-394)

**High Occupancy Vehicle (HOV) Lane Exemption**

Alternative fuel vehicles (AFVs) displaying the Virginia 'Clean Special Fuels' license plate can use the Virginia HOV lanes, regardless of the number of occupants, until July 1, 2008. For HOV lanes serving the I-95/395 corridor, only vehicles registered with and displaying 'Clean Special Fuels' license plates issued prior to July 1, 2006, will be exempt from HOV lane requirements. Dedicated AFVs and some hybrid electric vehicles may qualify for the license plate and exemption; see the Virginia Department of Motor Vehicles Web site for a complete list of qualifying vehicles. The annual fee for 'Clean Special Fuels' license plates is \$25 in addition to the prescribed fee for state license plates. (Reference House Bill 2132, 2007, and Virginia Code 33.1-46.2 and 46.2-749.3)

**Alternative Fuel Job Creation Tax Credit**

Businesses involved with the manufacture of components for alternative fuel vehicles (AFVs), AFV conversions, or the production, storage, or dispensing of hydrogen as a vehicle fuel are eligible for a job creation tax credit worth \$700 per full-time employee. The credit is allowed in the taxable year in which the job is created and in each of the two succeeding years in which the job is continued. Qualifying businesses include AFV component manufacturers and vehicle conversion companies. This credit is effective for taxable years beginning on or after January 1, 1996, through December 31, 2011. (Reference Virginia Code 58.1-439.1)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
*B99 and below- At diesel rate	B100 is not taxable	Subject to the Tank Fee when it is B99 or below	When blended-at gasoline rate	Not taxable	Not taxable Subject to tank fee if blended

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
*Although B100 is considered diesel fuel in VA, it is not taxable until it is blended.	Tax is not required however a license is required to import ethanol.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Yes	Cubic feet of CNG x 0.007895
<b>E85</b>	Yes	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	No	Not Applicable
<b>Gasoline Hybrid Vehicles</b>	Yes	<b>Not Applicable</b>
<b>Hydrogen</b>	Yes	Cubic feet of Hydrogen x 0.002798
<b>LNG (Liquefied Natural Gas)</b>	Yes	LNG gallons x 0.650957
<b>LPG (Liquefied Petroleum Gas)</b>	Yes	LPG gallons x 0.7404741
<b>Methanol or “M85”</b>	Yes	M100 gallons X .497512
<b>Other</b>	Not Applicable	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>RBOB</b>	Same as gasoline tax rate	yes
<b>CBOB</b>	Same as gasoline tax rate	yes

**Section 14-How does your state handle contaminated fuel?**

As per 58.1-2259 – it is refunded if it is not due to negligence.

**Section 15-Does your state allow bad debt credits?**

Yes - To Licensed Suppliers for licensed Distributors and Importers. To License Providers of Alternative Fuels for licensed Bulk Users and Retailers of Alternative Fuels

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Suppliers, Importer,	20 <sup>th</sup> of second month following	When report is due.

Blender, Aviation Consumer, and Provider/Bulk User/Retailer of Alternative Fuels	activity for all months except June. In June, the April and May activity is due on June 20 <sup>th</sup> and 30 <sup>th</sup> , respectively.	
Terminal Operator, Motor Fuel Transporter, Distributor, and Fuel Alcohol Provider.	20 <sup>th</sup> of second month following activity for all months except June. In June, the April and May activity is due on June 20 <sup>th</sup> and 30 <sup>th</sup> , respectively.	Information returns only-No payment due.

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Yes

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

12 midnight

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Next business day

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
All reports	\$50 for first violation; \$200 for second; \$500 for third violation; and \$1,000 for the fourth and subsequent violations.	10 percent of the tax due or \$50, whichever is greater

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is ethanol in Virginia however it is treated as gasoline because it is 85 percent denatured ethanol fuel and 15 percent gasoline.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Virginia requires transporters to file Transporters (TR) returns.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

On flash title transactions the persons causing the product to be imported into Virginia from a terminal located in another state must be license in Virginia as an importer or distributor. Persons exporting product under flash title transactions from a terminal in Virginia must be a license distributor or exporter. Taxes are remitted by the license supplier. However, if the supplier in the origin state is not license to collect and remit Virginia tax, the person causing the product to be imported must be a license Virginia importer and would be responsible for remittance of tax.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

In Virginia, a regional sales tax is imposed on gasoline and diesel. The rate is set by legislators and it is imposed on the sales price or cost of the product. It is collected on the 20<sup>th</sup> of the second subsequent month. In June only, activity for April is collected on June 20<sup>th</sup> and the activity for May is collected on the last business day in June.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

The amount of the tax security depends on the type of license you want to obtain. The following chart lists the amount for each license type.

AMOUNT	LICENSE TYPE
\$2 Million	Bonded Importer Refiner Supplier Terminal Operator
The average tax liability that you will incur in three months; not less than \$2,000 and not more than \$300,000.	Aviation Consumer Blender Bulk User of Alternative Fuel Distributor Fuel Alcohol Provider Occasional Importer Provider of Alternative Fuel

	Retailer of Alternative Fuel
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**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

See above

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

Amend the changes

**Section 28-Does your state allow credit and rebills on the current month report?**

Yes

**Section 29-How many days are allowed to report late loads?**

90 days

# STATE OF WASHINGTON

## Section 1-Contact Information

**Agency:** Department of Licensing; Prorate & Fuel Tax Services

**Name:** Paul Johnson

**Street Address:** P O BOX 9228 (Cannot receive mail at physical address)

**City, State Zip Code:** Olympia, WA 98507

**Phone Number:** 360-664-1844

**Fax Number:** 360-570-7849

**E-mail Address:** pajohnson@dol.wa.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Revised Code of Washington (RCW) 82.38 and 82.42; Washington Administrative Code 308-77 and 308-78

## Section 3-State Point of Taxation

**Gasoline:** Tax at the Rack

**Diesel:** Tax at the Rack

**Aviation Fuel:** Distributor

**Jet Fuel:** Distributor

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-:

Point of Taxation:

### **Section 5-State Tax Rates**

**Gasoline:** 0.494

**Diesel:** 0.494

**Aviation Fuel:** 0.11

**Jet Fuel:** 0.11

### **Section 6-Rate Updates**

**Please list any rate updates for your state:** No rate change after July 1, 2016

### **Section 7-State Collection Allowance**

None

### **Section 8-State Diversion Requirements**

**Diversion Required:** None

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

**What diversion registry program do you use?**

**What products are subject to the diversion requirement?**

**Diversion Requirements.**

The correct destination should be written on the Bill of Lading and submitted with the return.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Supplier for most exemption and the Customer form most non-taxable use refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

N/A

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** N/A

**Any Additional Comments?**

Law not clear regarding diversion taxability rules.

## **Section 9-Alternative Fuels Incentives and Laws**

Washington is the proud home of the Puget Sound Clean Cities Coalition ([www.pugetsoundcleancities.org](http://www.pugetsoundcleancities.org)). Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

#### **Alternative Fuel Vehicle (AFV) and Hybrid Electric Vehicle (HEV) Tax Exemption**

Beginning January 1, 2009, new passenger cars, light-duty trucks, and medium-duty passenger vehicles that are dedicated AFVs are exempt from the state sales and use tax. Qualified vehicles must operate exclusively on natural gas, propane, hydrogen, or electricity, meet the California motor vehicle emissions standards effective January 1, 2005, and comply with the rules of the Washington Department of Ecology. Additionally, new passenger cars, light-duty trucks, and medium-duty passenger vehicles that utilize hybrid electric technology and have a U.S. Environmental Protection Agency estimated highway fuel economy of at least 40 miles per gallon are exempt from state sales and use tax. This tax exemption expires January 1, 2011. (Reference [Revised Code of Washington](#) 82.08.809 and 82.08.813)

#### **Biofuels Tax Deduction**

A sales tax deduction is available for the sale or distribution of biodiesel or E85 motor fuel. This deduction is available until July 1, 2015. (Reference [House Bill](#) 1029, 2007, and [Revised Code of Washington](#) 82.04.4334)

#### **Biofuels Retail Tax Exemption**

Fuel delivery vehicles and machinery, equipment, and related services that are used for the retail sale or distribution of a biodiesel blend or E85 motor fuel are exempt from state retail sales and use taxes. This tax exemption expires July 1, 2015. (Reference [House Bill](#) 1029, 2007, and [Revised Code of Washington](#) 82.08.955 and 82.12.955)

#### **Biofuels Production Tax Exemption**

Qualifying buildings, equipment, and land used in the manufacturing of alcohol fuel, biodiesel, or biodiesel feedstocks are also exempt from state and local property and leasehold taxes for a period of six years. Additionally, until July 1, 2009, a reduced Business and Occupation tax rate of 0.138% applies to persons engaged in manufacturing of alcohol fuel, biodiesel fuel, or biodiesel feedstock. (Reference [Revised Code of Washington](#) 82.04.260, 82.29A.135, and 84.36.635)

#### **Electric and Plug-In Hybrid Electric Vehicle Demonstration Grants**

The Vehicle Electrification Demonstration Grant Program is established within the Department of Community, Trade, and Economic Development (DCTED), and administered by the Director of the DCTED. Eligible applicants are state agencies, public school districts, public utility districts, or political subdivisions of the state. Grants may be awarded to projects involving the purchase or conversion of existing vehicles to plug-in hybrid electric vehicles or battery electric vehicles for use in an applicant's fleet or operations; additional eligibility requirements apply. (Reference [House Bill 1303](#), 2007)

### **Alternative Fuel Grant and Loan Program**

The Energy Freedom Program (Program) is established within the Department of Community, Trade, and Economic Development (DCTED), and administered by the Director of the DCTED in consultation with other state agencies. The Program awards low-interest loans and grants through a competitive application process. Eligible projects include: research and development of new and renewable energy and biofuel sources, including biomass, solar, and wind power; renewable energy and alternative fuel infrastructure, facilities, and technologies; and research and development to develop markets for alternative fuel byproducts. Funding for the Program is provided by the Energy Freedom Loan Account and the Green Energy Incentive Account. The Program expires June 30, 2016.

Construction of new alternative fuel refueling facilities as well as upgrades and expansion of existing refueling infrastructure offered to the public are also eligible for funding, and up to \$50,000 may be awarded for a refueling infrastructure project. Funding for refueling infrastructure projects will only be awarded if the project is located within a 'green highway zone' in the state, which is a designated area within reasonable proximity of Washington State Routes 5, 90, and 82. (Reference [House Bill 1303](#), 2007, and [Revised Code of Washington 15.110](#))

### **Idle Reduction Tax Incentives**

Tax incentives are available for the infrastructure and services that support the use of auxiliary power for heavy-duty vehicles weighing more than 14,000 pounds through on-board or stand-alone electrification systems. These incentives offer a business and occupation tax deduction and sales and tax exemption for machinery and equipment used to provide auxiliary power at truck stops. Sales and use tax exemptions are also available for parts and labor necessary to enable heavy-duty diesel trucks to accept power for onboard electrification systems. These exemptions would expire on July 1, 2015. (Reference [Revised Code of Washington](#))

### **Alternative Fuel Vehicle (AFV) Annual Fee**

In order to encourage the use of nonpolluting fuels, owners of compressed natural gas and liquefied petroleum gas powered vehicles are required to pay an annual license fee, based on gross vehicle weight rating (GVWR), instead of motor fuel excise taxes. The fee is calculated as follows:

<b>GVW</b>	<b>Fee</b>
0- Less than 10,000 pounds (lbs.)	\$45
10,001 - 16,000 lbs.	\$45
16,001 - 18,000 lbs.	\$80
18,001 - 28,000 lbs.	\$110
28,001 – 36,000	\$150
More than 36,000 lbs.	\$250

To determine the actual annual license fee imposed by this section for a registration year, the appropriate dollar amount given in the above schedule must be multiplied by the motor vehicle fuel tax rate in cents per gallon (as established by [Revised Code of Washington 82.36.025](#)) effective on July 1 of the preceding calendar year, and the resulting amount be divided by \$0.12. In addition, there is a \$5 handling fee for each license issued.

### **Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.494 gallon	B100 is taxable		\$0.494 gallon	Ethanol is taxable	

### **Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$0.494 Licensed Suppliers and Importers can import into IRS approved terminals and defer the tax until the biodiesel is distributed in the state./gallon.	Ethanol is treated like gasoline. The tax rate is \$0.494/gallon. Licensed Suppliers and Importers can import into IRS approved terminals and defer the tax until the ethanol is distributed in the state.

### **Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Paid through vehicle registration	
<b>E85</b>	Gasoline @ \$0.494	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	N/A	
<b>Gasoline Hybrid Vehicles</b>	Gasoline @ \$0494	<b>Not Applicable</b>
<b>Hydrogen</b>	N/A	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Paid through vehicle registration	
<b>LPG (Liquefied Petroleum Gas)</b>	Paid through vehicle registration	
<b>Methanol or “M85”</b>	Gasoline @ \$0.494	<b>Not Applicable</b>
<b>Other</b>	gasoline or diesel @ \$0.494	<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
<b>All Blendstocks</b>	<b>\$0.494</b>	<b>YES</b>

**Section 14-How does your state handle contaminated fuel?**

A refund may be requested. A review of the contamination documentation is conducted before a refund is authorized.

**Section 15-Does your state allow bad debt credits?**

Licensed suppliers may request a credit, but must first declare the debt to the Internal Revenue Service before claiming with the department.

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Motor fuel and Special fuel tax returns	25 <sup>th</sup> of the month following the period being reported	Paying by check, the 25 <sup>th</sup> of the month following the period being reported. Paying by Electronic Funds Transfer is due the 26 <sup>th</sup> of the month.
Aircraft tax returns	25 <sup>th</sup> of the month following the period being reported	25 <sup>th</sup> of the month following the period being reported.

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Washington considers the postmark date as timely filed.

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

11:59 pm on the Due Date

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

For Aircraft Fuel – The excise tax is due on or before the twenty-fifth day of the month. If the due date falls on a weekend or holiday, it is due before the holiday or weekend.

For Motor and Special Fuels – A licensee shall file a tax report on or before the twenty-fifth day of the next succeeding calendar month following the period to which it relates. If the final filing date falls on a Saturday, Sunday, or legal holiday the next secular or business day shall be the final filing date.

If the tax is paid by electronic funds transfer, the tax shall be paid on or before the twenty-sixth calendar day of the month immediately following the reporting period. If the payment due date falls on a Saturday, Sunday, or legal holiday the next business day will be the payment date.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

<b>Name of Report</b>	<b>Report Penalties</b>	<b>Payment Penalties</b>
Motor Fuel Tax	N/A	2% until 07/01/2015 10% after 07/01/2015
Special Fuel Tax	N/A	10%
Aircraft Tax	N/A	10%

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

All ethanol blends are taxed as gasoline at \$0.494 per gallon.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

At this time, only railroads are required to report. They are called “Fuel Carriers.”

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

If the sale is between:

- licensed fuel suppliers and title changes at the terminal, the sale is non-taxed.
- a licensed supplier (seller) and a distributor (purchaser), the sale is taxed because distributors cannot hold tax-exempt fuel in a terminal.
- A licensed distributor (seller) and a supplier (purchaser), and the title changes at the terminal, the sale is non-taxed.
- distributors, the sale is taxed.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

Generally only fuel tax applies to motor fuel and clear special fuel. However, if a refund is claimed because the fuel was used for an off-road purpose, sales tax is applied. Dyed special fuel is exempt fuel tax, but sales tax applies. Since this tax is collected by the Department of Revenue, any questions about the application of sales tax should be directed to that department.

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

(1) A license may not be issued or continued in force unless a bond is provided to secure payment of all taxes, interest, and penalties. This requirement may be waived for licensed fuel distributors who, upon determination by the department, have sufficient resources, assets, other financial instruments, or other means to adequately make payments on monthly fuel tax payments, penalties, and interest.

(2) The department may require a licensee to post a bond if the department determines a bond is required to protect the interests of the state.

(3) The total amount of the bond or bonds is three times the estimated monthly fuel tax liability. The total bonding amount may never be less than five thousand dollars nor more than one hundred thousand dollars.

(4) In lieu of a bond, a licensee may deposit with the state treasurer, a like amount of money of the United States, or bonds or other obligations of the United States, the state, or any county of the state, of a market value not less than the amount of the required bond.

(5) The department may require a licensee to increase the bond amount or to deposit additional securities as described in this section if the security of the bond or the market value of the securities becomes impaired or inadequate.

(6) Any surety on a bond furnished by a licensee must be released and discharged from any liability accruing on such bond after the expiration of forty-five days from the date the surety provided written notification to the department. The provisions of this section do not relieve, release, or discharge the surety from any liability accrued or which will accrue before the expiration of the forty-five day period. The department must promptly notify the licensee who furnished the bond, and unless the licensee, on or before the expiration of the forty-five day period, files a new bond the department must cancel the license.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Definitions**

- "Supplier" means a person who holds a federal certificate of registry issued under the internal revenue code and authorizes the person to engage in tax-free transactions of fuel in the bulk transfer-terminal system.
- "Distributor" means a person who acquires fuel outside the bulk transfer-terminal system for importation into Washington, from a terminal or refinery rack located within

- Washington for distribution within Washington, or for immediate export outside the state of Washington.
- "Blender" means a person who produces blended fuel outside the bulk transfer-terminal system.
- "Terminal operator" means a person who owns, operates, or otherwise controls a terminal.

### **Imposition of Tax**

It is the intent and purpose of Washington law that the tax shall be imposed at the time and place of the first taxable event and upon the first taxable person within this state. Any person whose activities would otherwise require payment of the tax imposed by RCW [82.38.030](#) but who is exempt from the tax nevertheless has a pre-collection obligation for the tax that must be imposed on the first taxable event within this state. Failure to pay the tax with respect to a taxable event shall not prevent tax liability from arising by reason of a subsequent taxable event.

Taxes are imposed when:

(a) Fuel is removed in this state from a terminal if the fuel is removed at the rack unless the removal is by a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is by a fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW [82.38.320](#);

(b) Fuel is removed in this state from a refinery if either of the following applies:

(i) The removal is by bulk transfer and the refiner or the owner of the fuel immediately before the removal is not a licensed supplier; or

(ii) The removal is at the refinery rack unless the removal is to a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is to a licensed supplier for direct delivery to an international fuel tax agreement licensee under RCW [82.38.320](#);

(c) Fuel enters into this state for sale, consumption, use, or storage, unless the fuel enters this state for direct delivery to an international fuel tax agreement licensee under RCW [82.38.320](#), if either of the following applies:

(i) The entry is by bulk transfer and the importer is not a licensed supplier; or

(ii) The entry is not by bulk transfer;

(d) Fuel enters this state by means outside the bulk transfer-terminal system and is delivered directly to a licensed terminal unless the owner is a licensed distributor or supplier;

(e) Fuel is sold or removed in this state to an unlicensed entity unless there was a prior taxable removal, entry, or sale of the fuel;

(f) Blended fuel is removed or sold in this state by the blender of the fuel. The number of gallons of blended fuel subject to tax is the difference between the total number of gallons of blended fuel removed or sold and the number of gallons of previously taxed fuel used to produce the blended fuel;

(g) Dyed special fuel is used on a highway, as authorized by the internal revenue code, unless the use is exempt from the fuel tax;

(h) Dyed special fuel is held for sale, sold, used, or is intended to be used in violation of this chapter;

(i) Special fuel purchased by an international fuel tax agreement licensee under RCW [82.38.320](#) is used on a highway; and

(j) Fuel is sold by a licensed fuel supplier to a fuel distributor or fuel blender and the fuel is not removed from the bulk transfer-terminal system.

Licensed suppliers may engage in "Two-party exchanges" or "buy-sell agreements." These are transactions in which taxable fuel is transferred from one licensed supplier to another licensed supplier when the supplier who is the position holder agrees to deliver taxable fuel to the other supplier or the other supplier's customer at the terminal at which the delivering supplier is the position holder. The receiving supplier pays the tax to the state.

Licensed distributors may purchase tax-exempt fuel for immediate export.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

The entire return must be amended.

**Section 28-Does your state allow credit and rebills on the current month report?**

Washington allows credit and rebills.

**Section 29-How many days are allowed to report late loads?**

There is no grace period.

# STATE OF WEST VIRGINIA

## Section 1-Contact Information

**Agency:** WV State Tax Department

**Name:** Tim Wells

**Street Address:** 1001 Lee Street E

**City, State Zip Code:** Charleston WV 25301

**Phone Number:** 304-558-0700

**Fax Number:** 304-558-1989

**E-mail Address:** Tim.J.Wells@wv.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

§11-14C

## Section 3-State Point of Taxation

**Gasoline:** On removal from terminal rack

**Diesel:** On removal from terminal rack

**Aviation Fuel:** On removal from terminal rack

**Jet Fuel:** On removal from terminal rack

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-:

Point of Taxation:

## Section 5-State Tax Rates

**Gasoline:** \$0.322 cents/gallon, includes variable rate. **Note:** Legislative changes will affect the rates beginning 7/1/17.

**Diesel:** \$0.322 cents/gallon, includes variable rate. **Note:** Legislative changes will affect the rates beginning 7/1/17.

**Aviation Fuel** \$0.117 cents/gallon, variable rate only. **Note:** Legislative changes will affect the rates beginning 7/1/17.

**Jet Fuel:** \$0.117 cents/gallon, variable rate only. **Note:** Legislative changes will affect the rates beginning 7/1/17.

**Propane:** \$0.049 cents/gallon, variable rate only (full year rate)

**CNG:** \$0.236 cents/gallon, includes variable rate (full year rate)

**LNG:** \$0.152 cents/gallon, includes variable rate (full year rate)

## Section 6-Rate Updates

**Please list any rate updates for your state:** This average wholesale price per gallon (\$2.340) and the variable component tax computed thereon (\$0.117 per gallon) shall apply to all gallons of motor fuel sold, purchased or used in this State during the period beginning January 1, 2017 and ending December 31, 2017, inclusive, regardless of whether actual purchase price of such Motor fuel is more or less than \$2.340 per *gallon* .

**Note:** Legislative changes will affect the rates beginning 7/1/17.

## Section 7-State Collection Allowance

Suppliers or permissive suppliers can deduct one tenth of one percent of total tax due, not to exceed five thousand dollars per month.

## Section 8-State Diversion Requirements

**Diversion Required:** Yes

**If Diversion is required, please state Statute and/or Rule required obtaining a Diversion Number.** §11-14C-34

**What diversion registry program do you use?** FuelTrac.US

**What products are subject to the diversion requirement?**  
All taxable products

**Diversion Requirements.**

Purchaser shall be liable for any tax due as result of the purchaser’s diversion of fuel from the represented destination state...

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Customer may claim refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No, the distributor gets credit for diversion from WV. We do not want the Supplier or Permissive supplier to rebill.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** No

**Any Additional Comments?**

**Section 8-Alternative Fuels Incentives and Laws**

West Virginia is the proud home of West Virginia Open for Business Program (<http://www.wvdo.org>). Coordinator contact information is listed in the Points of Contact section.

**State Incentives**

**Alternative Fuel School Bus Incentive**

Any county that uses an acceptable alternative fuel for the operation of all or any portion of its school bus system is eligible for a reimbursement from the West Virginia Department of Education of up to 95% of the county's transportation cost for maintenance, operation, and related costs incurred by the use of the alternatively fueled school buses. A county qualifying for this allowance for alternative fuel use must submit a plan regarding the intended future use of alternatively fueled school buses to the Department of Education. (Reference [West Virginia Code 18-9A-7](#))

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.322 gallon	B100 is taxable	None	\$0.322/gallon	E100	None

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$0.322/gallon.	The tax rate is \$0.322/gallon. Blenders license is required when blending or a Distributors License.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Yes	
<b>E85</b>	Yes	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	No	
<b>Gasoline Hybrid Vehicles</b>	Yes	<b>Not Applicable</b>
<b>Hydrogen</b>	No	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Yes	
<b>LPG (Liquefied Petroleum Gas)</b>	Yes	
<b>Methanol or “M85”</b>	Yes	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>
Anything considered to be a “Motor Fuel”	Current rate	Yes

**Section 14-How does your state handle contaminated fuel?**

Casualty loss refund request

**Section 15-Does your state allow bad debt credits?**

N/A

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>
Supplier Report	Last day of the following month	Last day of the following month
Importer Report	Last day of the following month	Last day of the following month

Exporter Report	Last day of the following month	Last day of the following month
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**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Any time on or before 11:59 PM of due date.

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

The tax imposed on sales of motor fuel shall be paid by each taxpayer on or before the last day of the calendar month. If it falls on a weekend or holiday it is due the first business day following that weekend or holiday.

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

In addition to interest, a penalty of 5% per month (not to exceed 25%) is imposed if the return is late. Even if no tax is due, a late filing penalty of \$50 per month for each month or part of a month after the due date must be remitted.

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is treated as gasohol. Gasohol/Ethanol Blends are from E10-E99.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

Yes, anyone that is licensed as a Transporter in WV.

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

The Supplier will record the original purchaser of the fuel at the rack. If it is sold to another company at the rack and imported, the Importer will record the Supplier and the company from which the fuel was purchased on their Importer report for that period, so that the tax remittal may be verified.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

WV taxes gasoline, clear diesel, dyed diesel. The rates change on January 1<sup>st</sup> of the calendar year, with exception to 2017. Tax is imposed on volume and is collected on the last day of the following month

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

License	Cash or Continuous Surety Bond Amount	
	Minimum – the greater of:	Maximum
Supplier, Permissive Supplier, Terminal Operator	\$100,000.00 or 3 month's tax.	\$2 million
Importer, not Supplier, not bulk, not Permissive Suppler, no WV tax collected	\$100,000.00 or 3 month's tax.	\$2 million
Importer, supplier, bulk, permissive supplier, WV tax collected	\$2,000.00 or 3 month's tax.	\$300,000
Exporter	\$2,000.00 or 3 month's tax.	\$300,000
Blender	\$2,000.00 or 3 month's tax.	\$300,000
Distributor	\$2,000.00 or 3 month's tax.	\$300,000
Transporter	No bond	
Alternative fuel bulk end-user, provider of alternative fuel, a retailer of alternative fuel.	No bond; bond may be required in case of failure to comply.	
Producer or manufacturer	No bond; bond may be required in case of failure to comply.	
<b>Alternative Bond</b>		
Proof of Financial Responsibility:	Proof of \$5 million net worth.	
	Proof of \$2.5 million net worth reduces bond 50%.	
	Proof of \$1.25 million net worth reduced bond 25%.	
<b>In lieu of cash bond, continuous surety bond, or proof of financial responsibility, applicant with a good filing record of 18 months shall be granted a waiver upon application and approval. Go to tax.wv.gov and complete form GSR-01 – Request for Statement of Good Standing. If a licensee, who has been granted a waiver, violates any provision of WV Code '11-14C-1 et seq., the licensee shall file the applicable bond.</b>		

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

1. **Supplier/Permissive Supplier** will collect and remit the tax of any fuel sold as a WV destination.
2. **Importer** will remit tax on their return for any previously un-taxed fuel imported/diverted into WV.
3. **Exporter** will remit tax on any previously un-taxed fuel diverted into WV.
4. **Distributor** will remit tax on any previously un-taxed/exempt fuel used WV.
5. **Blender** will remit tax on any previously un-taxed fuel blended outside the terminal transfer system.

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

WV requires the entire return to be amended.

**Section 28-Does your state allow credit and rebills on the current month report?**

Not WV

**Section 29-How many days are allowed to report late loads?**

There is no cut off on filing late, however there will be penalties and interest.

# STATE OF WISCONSIN

## Section 1-Contact Information

**Agency:** Wisconsin Department of Revenue

**Name:** Chris Roy

**Street Address:** 2135 Rimrock Road

**City, State Zip Code:** Madison, WI 53713

**Phone Number:** 608 266-7453

**Fax Number:** 608-261-7049

**E-mail Address:** [christopher.roy@revenue.wi.gov](mailto:christopher.roy@revenue.wi.gov)

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:** Wisconsin Statutes Chapter 78 & 168 and Wisconsin Administrative Code Chapter Tax 4.

## Section 3-State Point of Taxation

**Gasoline:** Position Holder or Exchange Receiver at the Rack.

**Diesel:** Position Holder or Exchange Receiver at the Rack.

**Aviation Fuel:** First sale unless sold to another Wisconsin General Aviation Fuel Licensee or to an Air Carrier Company.

**Jet Fuel:** First sale unless sold to another Wisconsin General Aviation Fuel Licensee or to an Air Carrier Company.

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-:

Point of Taxation:

### **Section 5-State Tax Rates**

**Gasoline:** 30.9 cents per gallon.

**Diesel:** 30.9 cents per gallon.

**Aviation Fuel:** 6 cents per gallon.

**Jet Fuel:** 6 cents per gallon.

### **Section 6-Rate Updates**

**Please list any rate updates for your state:** None since 4/1/2006 and none scheduled.

### **Section 7-State Collection Allowance**

1.35% on Gasoline only, of which a licensed Supplier is required to pass on 1.25% to a Wholesaler Distributor.

### **Section 8-State Diversion Requirements**

#### **Diversion Required**

Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.** Not statutory—Administrative only.

**What diversion registry program do you use?** FuelTrac

**What products are subject to the diversion requirement?**

All taxable products

#### **Diversion Requirements.**

A diversion number must be obtained if the destination is incorrect and the customer is liable for payment of taxes to the respective states.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Customer should obtain refund.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?**

Must pay based on original Bill of Lading. Should not credit/rebill.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** No

**Any Additional Comments?**

## **Section 9-Alternative Fuels Incentives and Laws**

Wisconsin is the proud home of Wisconsin Clean Cities Southeast Area, Inc., Coalition ([www.wicleancities.org](http://www.wicleancities.org)). Coordinator contact information is listed in the Points of Contact section. The Wisconsin State Energy Office regularly hosts natural gas for transportation roundtables ([www.energyindependence.wi.gov/](http://www.energyindependence.wi.gov/)).

### **State Incentives**

#### **Renewable Fuel Infrastructure Tax Credit**

A tax credit is available for 25% of the cost to install or retrofit fueling pumps that dispense gasoline fuel blends of at least 85% ethanol or diesel fuel blends of at least 20% biodiesel fuel, or that mix fuel from separate storage tanks and allow the user to select the percentage of renewable fuel. The maximum credit amount is \$5,000 per taxable year for each fueling station that has installed or retrofitted a pump. The credit must be claimed within four years of the tax return. The credit expires December 31, 2017. (Reference Wisconsin Statutes 71.07 (5j), 71.21(4), 71.26(2)(a), 71.34(1)(g), 71.45(2)(a)10, 77.92(4), 71.28(5j), 71.30(3)(ed), 71.47(5j), and 71.49(1)(ds))

#### **Renewable Fuel Producer Excise Tax and Inspection Exemption**

The first 1,000 gallons of renewable fuel an individual produces each year are exempt from the motor vehicle fuel excise tax, the petroleum inspection fee, and any petroleum inspection requirements not required under federal law. These exemptions only apply if the fuel is used in the individual's personal vehicle and is not sold. An individual may also produce renewable fuel for personal use without a business tax registration certificate or a motor vehicle fuel tax license. (Reference Wisconsin Statutes 78.01(2n) and 168.05(6))

#### **Vehicle Battery and Engine Research Tax Credits**

A corporation involved in qualified research is eligible for a tax credit equal to 10% of the qualified research expenses the corporation incurred in Wisconsin during the taxable year. Qualified research includes, but is not limited to, automotive batteries for use in hybrid electric vehicles that reduce the demand for natural gas or electricity or improve the efficiency of its use, and research related to designing internal combustion engines (including substitute products such as fuel cell, electric, and hybrid drives) for vehicles, including expenses related to designing vehicles that are powered by such engines and improving production processes for such engines and vehicles.

Corporations may also claim tax credits equal to 5% of the amount paid or incurred during the taxable year to construct and equip new facilities or expand existing facilities used in Wisconsin for qualified research.

(Reference Wisconsin Statutes 71.28(4)(ab 2), 71.28(ad 2 and 3), and 71.28(5)(ad))

#### **Alternative Fuel Tax Refund for Taxis**

A person using alternative fuel to operate a taxi used to transport passengers may be reimbursed for the paid amount of the Wisconsin state fuel tax. Refund claims must be filed within one year

of the date the fuel is purchased and must be for a minimum 100 gallons of alternative fuel. (Reference Wisconsin Statutes 78.75(1m)(a)1)

### **Idle Reduction Grant Program**

The Wisconsin Department of Safety & Professional Services provides grants to common, contract, and private motor carriers headquartered in Wisconsin that transport freight. Eligible applicants may receive grants of up to 50% for the cost of idle reduction equipment and installation on heavy-duty truck tractors produced in Model Year 1999 or later. The grant program was allocated \$1 million for each July to June budget cycle. As of December 2011, program funds are no longer available for the current budget cycle (July 1, 2011 - June 30, 2012). Applications will be available July 1, 2012, for further funding opportunities. Other conditions may apply. (Reference Wisconsin Statutes 560.125)

### ***Point of Contact***

Jean Beckwith

Program Manager, Diesel Truck Idling Reduction Program

Wisconsin Department of Safety and Professional Services

Phone: (608) 267-1381

Fax: (608) 264-6151

[jean.beckwith@wisconsin.gov](mailto:jean.beckwith@wisconsin.gov)

<http://dsps.wi.gov/er/ER-DI-Diesel-Grant-Program-2011.html>

### **Alternative Fuel Tax Exemption**

No county, city, village, town, or other political subdivision is allowed to levy or collect any excise, license, privilege, or occupational tax on motor vehicle fuel or alternative fuels, or on the purchase, sale, handling, or consumption of motor vehicle fuel or alternative fuels. (Reference Wisconsin Statutes 78.82)

### **Idle Reduction Weight Exemption**

Any vehicle or combination of vehicles equipped with fully functional idle reduction technology may exceed the state's gross and axle weight limits by up to 400 pounds (lbs) to compensate for the additional weight of the idle reduction technology. To be eligible for the weight exemption, the vehicle operator must be able to prove, by written certification, the weight of the idle reduction technology and, by demonstration or certification, that the idle reduction technology is fully functional at all times. The weight exemption cannot exceed 400 lbs or the certified weight of the unit, whichever is less. (Reference Wisconsin Statutes 348.15(3)(f))

### **Biodiesel Fuel Use Incentive**

The Wisconsin Department of Public Instruction (DPI) may provide financial aid to school districts that use biodiesel fuel to operate school buses to cover the incremental cost of purchasing biodiesel as compared to the cost of petroleum diesel fuel. If, in any fiscal year, insufficient funds are available to provide school districts with the full amount of reimbursement for which a school district qualifies, DPI will prorate the available funds among the entitled school districts on a per pupil basis. (Reference Wisconsin Statutes 121.575)

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.309 gallon	B100 is taxable	Subject to the Inspection Fee	\$0.309/gallon	Ethanol is taxable	Subject to the Inspection Fee

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel. The tax rate is \$0.309/gallon.	Ethanol is treated like gasoline. The tax rate is \$0.309/gallon. Tax is due when shipped into Wisconsin or at the rack.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	\$ 0.247 per gallon	
<b>E85</b>	\$0.309 + inspection fee	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>		
<b>Gasoline Hybrid Vehicles</b>		<b>Not Applicable</b>
<b>Hydrogen</b>		<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	\$0.197 per gallon	
<b>LPG (Liquefied Petroleum Gas)</b>	\$0.226 per gallon	
<b>Methanol or “M85”</b>	\$0.309 + inspection fee	<b>Not Applicable</b>
<b>Other</b>	\$0.309 + inspection fee	<b>Not Applicable</b>

**Recent Legislation**

None.

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

[https://www.revenue.wi.gov/eserv/motorfuel/MVF\\_Product\\_Codes.pdf](https://www.revenue.wi.gov/eserv/motorfuel/MVF_Product_Codes.pdf)

Blendstock	Tax Rate	Reportable

**Section 14-How does your state handle contaminated fuel?**

Refund request and backup information sent to:  
 Wisconsin Department of Revenue  
 PO Box 8900  
 Madison WI 53708

**Section 15-Does your state allow bad debt credits?**

Yes. This can either be taken as a schedule 10E with the suppliers return or a separate refund request filed on form MF-016, Wholesaler Distributor Claim for Tax Refund Uncollectible Wisconsin Motor Vehicle Fuel Taxes found at <http://www.revenue.wi.gov/forms/excise/index-f.html>.

**Section 16-Please provide the following information:**

Name of Report	Due Date of Report	Due Date of Payment
MF-002 Wisconsin Combined Monthly Fuel Summary Report	Reports are due on the last day of the monthly following the month covered by the report	Payment is due 15 days after the close of the month

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked by the due date

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

Received by the due date

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Next business day

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Late-filed reports are subject to the following charges:

- Late-filing fee - \$10 [sec. 78.68(2), Wis. Stats.].
- Delinquent interest - 1.5% per month [sec. 78.68(2), Wis. Stats.].
- Late-filing penalty - 5% per month, maximum 25% [sec. 78.68(4), Wis. Stats.].

*There are no extensions of time granted if you are unable to file a motor vehicle fuel tax report and pay any amount owing by the due date.*

Name of Report	Report Penalties	Payment Penalties

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

E85 is treated the same as gasoline. All blends to be reported.

**Section 22-Does your state require transporter returns and if so, who is required to report?**

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**

# STATE OF WYOMING

## Section 1-Contact Information

**Agency:** Department of Transportation

**Name:** Wayne Hassinger

**Street Address:** 5300 Bishop Boulevard

**City, State Zip Code:** Cheyenne, WY 82009-3340

**Phone Number:** 307-777-3909

**Fax Number:** 307-777-4769

**E-mail Address:** Wayne.Hassinger@wyo.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:**

Wyoming Statutes, Title 39, Chapter 17; links provided below.

<http://legisweb.state.wy.us/statutes/statutes.aspx?file=titles/Title39/Title39.htm>

<https://rules.wyo.gov/>

## Section 3-State Point of Taxation

**Gasoline:** Rack

**Diesel:** Rack

**Aviation Fuel:** Rack

**Jet Fuel:** Rack

## Section 4-Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver-:

Point of Taxation:

## **Section 5-State Tax Rates\***

**Gasoline:** \$.24/gallon

**Diesel:** \$.24/gallon

**Aviation Fuel:** \$.05/gallon

**Jet Fuel:** \$.05/gallon

\*Tax rates include \$0.01/gallon A.L.T. (Additional License Tax)

## **Section 6-Rate Updates**

**Please list any rate updates for your state:** None.

## **Section 7-State Collection Allowance**

Wyoming does not have a collection allowance, but the distributors who own a bulk plant in Wyoming or distribute only to retail locations they own are allowed a one percent shrinkage allowance on gross gallons of bulk fuel purchased directly from a terminal and delivered in this state for use, sale, or distribution.

## **Section 8-State Diversion Requirements**

**Diversion Required** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.**

Diversion numbers are not required, but the licensee must notify the department of the diversion. The requirements are detailed in W. S. 39-17-107(a)(vi)(C) and W. S. 39-17-207(a)(viii)(C), W. S. 39-17-307(a)(vi)(C).

**What diversion registry program do you use?** None.

**What products are subject to the diversion requirement?**

Diversions are required for all accountable and taxable products.

**Diversion Requirements**

Purchaser shall be liable for any tax due as result of the purchaser's diversion of fuel from the represented destination state. Report based on original bill of lading.

**What party should apply for the refund if applicable? (Supplier, customer, etc)**

Since a refund is due only for those gallons pulled with a Wyoming destination and diverted to another state, the exporter must apply for the refund of Wyoming tax.

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** No.

**If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load?** No, the credit/refund must be issued by the department.

**Any Additional Comments?**

**Section 9-Alternative Fuels Incentives and Laws**

Wyoming is the home of the Greater Yellowstone/Teton Clean Energy Coalition ([www.yellowstonetetoncleanenergy.org](http://www.yellowstonetetoncleanenergy.org)).

**State Incentives**

**Section 10-Taxability & Tax Rates for Biodiesel and Ethanol**

<b>B100</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>	<b>Ethanol</b>	<b>Motor Fuel Taxability</b>	<b>Misc. Taxability</b>
\$0.24 per gallon	B100 is taxable when sold to an end user.		\$0.24 per gallon when blended.		None

**Section 11-State Taxes Applicable to Imports of Ethanol and Biodiesel**

<b>Biodiesel</b>	<b>Ethanol</b>
B100 is treated like diesel fuel when sold to an end user. The tax rate is \$0.24 per gallon.	Ethanol is not taxed until blended. The tax rate is the same as gasoline \$0.24/gallon. Blender’s license is required when blending.

**Section 12-Taxability & Conversion Rates for Compressed Natural Gas (CNG), E85, Electric Vehicles/Electricity, Gasoline Hybrid Vehicles, Hydrogen, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), Methanol or “M85”, and other**

<b>Fuel Type</b>	<b>Taxability</b>	<b>Conversion Rate if applicable</b>
<b>CNG (Compressed Natural Gas)</b>	Yes @ \$.24	<b>Gasoline Gallon Equivalent (GGE)</b>
<b>E85</b>	Yes @ \$.24	<b>Not Applicable</b>
<b>Electric Vehicles/Electricity</b>	\$50 Annual Decal	<b>Not Applicable</b>
<b>Gasoline Hybrid</b>	None	<b>Not Applicable</b>

<b>Vehicles</b>		
<b>Hydrogen</b>	Yes @ \$.24	<b>Not Applicable</b>
<b>LNG (Liquefied Natural Gas)</b>	Yes @ \$.24	<b>Diesel Gallon Equivalent (DGE)</b>
<b>LPG (Liquefied Petroleum Gas)</b>	Yes @ \$.24	<b>Gasoline Gallon Equivalent (GGE)</b>
<b>Methanol or "M85"</b>	Yes @ \$.24	<b>Not Applicable</b>
<b>Other</b>		<b>Not Applicable</b>

**Section 13-Please list what blendstocks are taxable or reportable in your state.**

<b>Blendstock</b>	<b>Tax Rate</b>	<b>Reportable</b>

**Section 14-How does your state handle contaminated fuel?**

Contact our office.

**Section 15-Does your state allow bad debt credits?**

Yes

**Section 16-Please provide the following information:**

<b>Name of Report</b>	<b>Due Date of Report</b>	<b>Due Date of Payment</b>

**Section 17-Does your state consider postmarked or received by due date as timely filed?**

Postmarked for paper/electronic date stamp for electronic data

**Section 18-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)**

11:59 pm on due date

**Section 19-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?**

Always the last day of the month irregardless of weekend or holiday

**Section 20-What is your penalties for late filing report(s) and payment(s)?**

Name of Report	Report Penalties	Payment Penalties
Supplier, DIE, Dealer w/Dollars	10% penalty, 1% interest	

**Section 21-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?**

Taxed \$.24 per gallons  
85% ethanol, 15% gasoline

**Section 22-Does your state require transporter returns and if so, who is required to report?**

**Section 23-(Tax as the rack states or first receiver states only) How does your state handle flash title transactions?**

If a distributor, they report on a Schedule 2 and Schedule 6.

**Section 24-Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? I so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?**

**Section 25-What are your bonding requirements for your motor fuel license(s)?**

\$50,000 per fuel family or the equivalent of the licensee's tax liability for 6 months, whichever is greater.

**Section 26-Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.**

**Section 27-When amending returns does the state require the entire return be amended or amend only the information that is changing?**

**Section 28-Does your state allow credit and rebills on the current month report?**

**Section 29-How many days are allowed to report late loads?**