

STATE TAXATION OF SPECIAL FUELS 1/

BASED ON INFORMATION OBTAINED FROM STATE
AUTHORITIES AND ON THE LAWS OF THE STATES

TABLE MF-102
STATUS AS OF JANUARY 1, 1998

STATE	TAX RATE (CENTS PER GALLON) 2/	TAX PAID IN FIRST INSTANCE BY	DATE TAX DUE 3/	TAX COLLECTED AND ADMINISTERED BY	REMARKS 4/
Alabama	19 & 17	Distributors or licensed users	20th	Department of Revenue 5/	Retailer, if not licensed as a distributor must buy tax-paid fuel. Transit use is taxed, but is subject to a 4-cent exemption
Alaska	8 & 0	Dealers and users	Last	Department of Revenue	Retailer collects the tax in the first instance when heating fuel is sold as motor fuel. Transit use is taxed.
Arizona	27 & 18	Importers, distributors and users	25th	Department of Transportation, Motor Vehicle Division	Transit use is taxed.
Arkansas	18.6 & 16.5	Diesel suppliers (wholesalers or distributors) and LPG users	25th	Department of Finance and Administration, Motor Fuel Tax Section	-
California	18 & 6	Suppliers 6/	Last 6/	Board of Equalization	Transit is exempt, but is subject to a 1-cent tax on the exempt gallons used on State highways.
Colorado	20.5	Distributors and users	25th	Department of Revenue, Taxpayer Service Division	Transit use is taxed.
Connecticut	18 & 0	Licensed motor fuel distributors	25th	Department of Revenue Services	Diesel fuel distributors collect the tax from retailers or users and pay tax to the State. Transit bus use is subject to full refund; Transit use taxicabs and livery services subject to 50 percent refund. LPG, CNG, and LNG are not taxed when sold as motor vehicle fuels.
Delaware	22	Retailers, users or suppliers	25th	Department of Transportation, Motor Fuel Tax Administration	Licensed retailer becomes liable for the tax when fuel is placed in supply tank of user's vehicle. Licensed user who acquires tax-free fuel becomes liable for the tax when fuel is placed in supply tank of his licensed vehicle. Supplier must collect tax on delivery to unlicensed dealer or user. Transit use is taxed.
Dist. of Col.	20	Licensed importers	25th	Department of Finance and Revenue	Metro (transit buses), U.S., D.C. and diplomats are exempt.
Florida	25 & 16	Terminal suppliers, blenders, importers, and wholesalers	20th	Department of Revenue	Transit use is taxed; however, 19.6 cents per gallon is refundable. Nonhighway agricultural use and marine use are exempt from all taxes except a sales and use tax of 6 percent of the retail price of the diesel fuel.
Georgia	7.5	Licensed distributors (wholesalers, retailers) and licensed users	20th 7/	Department of Revenue, Motor Fuel Tax Unit	User buys tax-paid fuel; but some users may become licensed distributors and pay the tax directly to the State. User licensed as distributor can obtain exemption for nonhighway use.
Hawaii	16 & 11	Distributors	Last	Department of Taxation	Transit use is taxed.
Idaho	25 & 18.1	Retailers or licensed users, including trucks	Last 7/	Tax Commission	-
Illinois	21.5 & 19	Licensed distributors, special fuels suppliers or bulk users of special fuels	20th	Department of Revenue	Most nonhighway use is exempt. Transit use is exempt.
Indiana	16 & 0	Licensed suppliers, importers, and blenders	15th	Department of Revenue, Special Tax Division	Special fuel tax is imposed at the time of removal from the terminal rack, the tax is then passed on to each subsequent purchaser.
Iowa	22.5 & 20	Licensed and restricted suppliers, importers, LPG dealers, or users	Last	Department of Revenue	-

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Kansas	20 & 17	Diesel - wholesale distributors; LPG - users and dealers	25th	Department of Revenue, Business Tax Bureau	Diesel tax is computed on quantities received or imported less exempt sales. Transit use is taxed.
Kentucky	13.4 & 15	Licensed special fuels dealers (importers, wholesalers, refiners)	25th	Revenue Cabinet, Motor Fuel Tax Section,	-
Louisiana	20 & 16	Suppliers (wholesalers)	20th	Department of Revenue, Excise Taxes Division	User or dealer pays tax to supplier. Transit use is taxed.
Maine	20 & 18	Suppliers (wholesalers) and users	Last 7/	State Tax Assessor	Licensed supplier (wholesaler) is liable for the tax and shall charge and collect the tax. Licensed user is liable for tax on fuel bought tax free and used on the highway.
Maryland	24.25 & 23.5	Licensed sellers and users	Last	Comptroller, Motor Fuel Tax Division	Fleet operators, if licensed and bonded as diesel users, can fuel trucks from own storage tanks and pay tax. LPG users with bulk fuel register as bonded users. All others buy tax-paid fuel. Use by mass transit administration buses and certain municipal bus companies is exempt.
Massachusetts	21 & 9.5	Licensed special fuels suppliers	20th	Department of Revenue, Excises Bureau	Suppliers may sell tax free if fuel is sold to other suppliers. Regional transit authorities except MBTA are exempt.
Michigan	15	Refineries and terminals	20th	Department of Treasury, Motor Fuel Tax Division	Diesel tax is collected when fuel is sold from refinery or terminal at rate of 15 cents per gallon. There is a 9 cents per gallon discount if diesel motor fuel is delivered into the fuel supply tank of a commercial motor vehicle which is licensed under the Motor Carrier Fuel Tax. Those motor carriers are responsible for a 21 cents per gallon Motor Carrier Fuel Tax. Diesel fuel, when used in transit vehicles with a capacity of ten or more persons, is allowed a full refund. The LPG tax is collected by a licensed LPG dealer.
Minnesota	20 & 15	First licensed distributor	23rd	Department of Revenue, Petroleum Division	Transit systems owned by cities or towns are exempt.
Mississippi	18.4 & 17	Wholesalers, retailers (distributors)	20th	State Tax Commission	Compressed gas users: vehicles 10,000 pounds g.v.w and under, \$100 annual fee; vehicles greater than 10,000 pounds g.v.w but less than 20,000 pounds, \$225 - prepayment of tax; vehicles greater than 20,000 pounds g.v.w., \$300 - prepayment of tax; vehicles greater than 10,000 pounds that carry "F" or farm tag, \$150 - prepayment of tax. Annual reports are required on all vehicles with a gross weight exceeding 10,000 pounds.
Missouri	17	Distributors	Last	Department of Revenue, Business Tax Bureau	Transit use is taxed.
Montana	27.75 & 0	Distributors	25th	Department of Transportation, Administration Division	Transit use is taxed.
Nebraska	24.6	Retailers (dealers)	20th	Department of Revenue	User who buys in wholesale quantities and services his own equipment pays tax directly to State. Transit use is exempt.
Nevada	27.75 & 22	Licensed users or suppliers	Last 7/	Department of Motor Vehicles and Public Safety, Motor Carrier Division	Retailer sells tax-free fuel to licensed user and collects tax from unlicensed user. Nonhighway, government and transit use are exempt.
New Hampshire	19.5 & 18	Users	Last 7/	Department of Safety	Transit use is taxed.
New Jersey	13.5 & 5.25	Retailers and users		Department of the Treasury, Division of Taxation	Generally, off-road use is not taxable.

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New Mexico	19.875 & 3	Distributors	25th	Motor Transportation Division, Operations Bureau	Transit use is taxed.
New York	21.85 & 8	Registered distributors	20th	Department of Taxation and Finance, Processing Division	Under certain conditions, fuel used in omnibuses and taxicabs is subject to a refund of 1 cent per gallon. Diesel fuel used in omnibuses operated in local transit service and all school buses owned by nonpublic schools is subject to full refund.
North Carolina	22.3	Licensed suppliers (distributors)	25th	Department of Revenue, Motor Fuels Tax Division	Sales to licensed user-seller (bulk user or reseller with bulk storage) and fuel placed into the tanks of highway vehicles by suppliers are taxed. Transit use is taxed. Public school transportation and State agencies are exempt.
North Dakota	20	Licensed dealers (wholesalers)	25th	Tax Commissioner, Motor Fuel Tax Section	Fuel used for heating, agricultural, privately funded industrial or railroad purposes is exempt but subject to special 2 percent excise tax; other nonhighway uses are refundable except fuel used in public contract work which is taxed. Transit use is taxed.
Ohio	22	Wholesalers, retailers or users	Last	State Treasurer	Tax is paid on first sale knowingly made for highway use. If ultimate use cannot be determined, user is liable for the tax. Public transit use is exempt.
Oklahoma	14 & 17	Distributors, manufacturers, or refiners	25th (20th LPG)	Tax Commission, Motor Fuel Division	Tax is levied on use. Use is defined as (1) placing of fuel into supply tank of a vehicle for highway use; (2) consumption on highway of fuel imported in tank of commercial vehicle. Local public buses seating ten or more are exempt from tax.
Oregon	24	Retailers or users	20th	Department of Transportation	Tax is paid by user for vehicles not under jurisdiction of Public Utilities Commission. Vehicles under jurisdiction of Public Utilities Commission and paying motor-carrier fees are exempt from payment of special fuels tax. Fuel used by a publicly organized mass transportation district is subject to full refund.
Pennsylvania	30.8 & 18.9	Dealers or users	7/	Department of Revenue	Tax is paid by person who places fuel in vehicle tank. Transit use is taxed except for publicly owned transit which is exempt. LPG rate based on gasoline gallon equivalent.
Rhode Island	29	Wholesalers, retailers or users	27th	Department of Administration, Division of Taxation, Excise Tax Section	Tax is on first sale where use is known to be for internal combustion engine. If use cannot be determined initially, user becomes liable for tax. Public transit use is exempt.
South Carolina	16	Licensed seller users and licensed wholesale distributors	20th	Department of Revenue	Wholesale supplier: tax is on first sale when use is known to be for internal combustion engine. If use cannot be determined, user becomes liable for tax. Seller, user: reports filed by persons selling fuel on which tax has been paid to supplier and persons selling fuel to be used for purposes other than highway use. Transit use is taxed.
South Dakota	21 & 19	Suppliers	Last	Department of Revenue, Motor Vehicle Division	-
Tennessee	17 & 14	Users	25th	Department of Revenue, Petroleum Tax Division, Special Fuel Section	Transit use is exempt.

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Texas	20 & 15	Bonded suppliers, bonded dealers and bonded users	25th	Comptroller of Public Accounts	Diesel fuel sales to bonded suppliers, bonded users, prepaid users and verified nontaxable use to purchaser not owning or operating diesel vehicles are exempt. All sales into vehicle fuel supply tanks are taxable. Diesel fuel used by transit companies is taxed at 19.5 cents per gallon.
Utah	24.5 (See remarks)	Licensed user-dealer	Last	Tax Commission	Tax on special fuels is 3/19 of the existing rate on motor fuels. Special fuels defined as "clean fuels" are propane, compressed natural gas, electricity, or any fuel that meets the clean fuel vehicle standards in the Federal Clean Air Act Amendments of 1990, Title II. These exemptions require purchase of an annual exemption certificate. Publicly owned transit is exempt.
Vermont	17 & 0	Dealers, distributors and users	Last	Department of Motor Vehicles, Commercial Vehicle Operations	Fuel user license required.
Virginia	16 & 10	Suppliers (distributors and some users)	7/	Department of Motor Vehicles, Motor Carrier Services	Supplier sells fuel wholesale and retail. User acquiring tax-free fuel is liable for the tax. Use in vehicles that have: two axles and a gross vehicle weight of more than 26,000 pounds, three or more axles regardless of weight, or used in combination, when the combined weight is more than 26,000 pounds gross or registered gross vehicle weight is subjected to an additional 3.5 cents. Certain transit use is refunded.
Washington 8/	23 & 0	Licensed users and dealers	25th	Department of Licensing, Prorate and Fuel Tax Services	-
West Virginia	25.35	Persons who first receive fuel in State	25th	Department of Tax and Revenue, Internal Auditing Division	Fuel sold to urban mass transportation authorities is exempt. Purchases of 25 gallons or more for use in buses is allowed a refund of 6 cents per gallon.
Wisconsin	23.8	Licensed suppliers or retailers	15th	Department of Revenue	Diesel fuel tax is paid by the licensed supplier. For alternate fuels, including LPG, tax is paid by person who places fuel in motor vehicle tank of the user. Urban mass transportation use by common carriers is exempt.
Wyoming	9 & 0	Wholesalers or users	Last	Department of Transportation	-

1/ As used in this table, special fuels are motor fuels other than gasoline and gasohol, and include diesel fuel and liquefied petroleum gases (LPG).
 2/ Rates shown are as of January 1, 1998. Some of the rates shown are composites of several taxes. Where two tax rates are shown for a State, the first rate applies to diesel fuel and the second to liquefied petroleum gases (LPG), such as propane and butane. Many States provide for an annual fee in lieu of paying the gallonage tax on LPG. See Table MF-121T for more detail on the composition of the rates and special permit programs for LPG. See Table MF-106 for State code citations for the taxes.
 3/ Date tax is due in month following month of transfer of special fuel.
 4/ Special provisions for taxation of motor fuel used in interstate operation are shown in Table MF-104.
 5/ The Commissioner of Agriculture and Industries administers and collects the 2-cent inspection fee included in the tax. The liquefied petroleum gas (LPG) board administers the tax on LPG.
 6/ LPG tax is paid by the retailer or user and the tax is due on the 25th day of the month.
 7/ Tax is due in April, July, October and January of the following year in Idaho, Maine, Montana, Nevada, and New Hampshire (applies to users only in Maine, Montana, Nevada and New Hampshire). In Georgia, some users with tax payments of \$500 or less per year may pay annually by January 25. In Pennsylvania tax is due by next to last business day. In Virginia, is due by the 5th day of the second month of receipt or sale.
 8/ Cities or towns that are within 10 miles of an international border crossing or transportation benefit districts that contain an international border may impose an additional local tax up to 1 cent per gallon.