

# **State Contact Information**

## **Points of Taxation**

## **Tax Rates**

## **Diversion Information**

## **Alternative Fuels Incentives and Laws**

## **Taxation and Tax Rates for Alternative Fuels**

**Updated September, 2013**

# **DISCLAIMER**

**The information in this booklet was obtained in July of 2013 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**

**Agency:** Department of Revenue

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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-State Tax Rates**

**Gasoline:** \$.16 per gallon

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

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

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

### **Section 5-Rate Updates**

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

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

### **Section 6-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 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 7-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 is 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 8-Alternative Fuels Incentives and Laws**

**State Incentives**

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

None

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

None

**Section 9-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 10-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 \$0.16/gallon. |

**Section 11-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>Decal – State LPG Board</b>       |
| <b>E85</b>                           | \$ .16 per gallon |                                      |
| <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>Decal – State LPG Board</b>       |
| <b>LPG (Liquefied Petroleum Gas)</b> |                   | <b>Decal – State LPG Board</b>       |
| <b>Methanol or “M85”</b>             |                   | <b>Not Applicable</b>                |
| <b>Other</b>                         |                   | <b>Not Applicable</b>                |

# STATE OF ALASKA

## Section 1-Contact Information

**Agency:** Department of Revenue, Tax Division

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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-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

### **Section 5-Rate Updates**

Please list any rate updates for your state: No changes.

### **Section 6-State Collection Allowance**

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

### **Section 7-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 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?**

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

**Any Additional Comments?**

### **Section 8-Alternative Fuels Incentives and Laws**

**State Incentives**

There are currently no State incentives offered in Alaska

### **Section 9-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 10-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 11-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>                |

# STATE OF ARIZONA *(Last updated 2012)*

## **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:**

## **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:**

## **Section 4-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 Fuel Taxes

## Section 5-Rate Updates

Please list any rate updates for your state:

## Section 6-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 7-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**

**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 8-Alternative Fuels Incentives and Laws

## Section 9-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 Fee      | Not Taxable    | Not taxable                  | Not taxable             |

**Section 10-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 11-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>                |

# STATE OF ARKANSAS

## Section 1-Contact Information

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

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## 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

**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-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

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

**Aviation Fuel:** 6% (7% for the City of Texarkana, AR) State Sales and Use Tax plus local sales and use tax based on point of receipt

**Jet Fuel:** 6% (7% for the City of Texarkana, AR) State Sales and Use Tax plus local sales and use tax based on point of receipt

### **Section 5-Rate Updates**

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

N/A

### **Section 6-State Collection Allowance**

N/A

### **Section 7-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.

**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 8-Alternative Fuels Incentives and Laws**

### **State Incentives**

#### **Alternative Fuel Grants**

The Arkansas Alternative Fuels Development Fund includes three types of grant incentives, including capital and operation incentives for alternative fuel producers and feedstock processors, production incentives for feedstock producers, and distribution incentives for alternative fuel distributors. Alternative fuel producers may be eligible to receive \$0.20 per gallon of alternative fuels produced, not to exceed \$2 million. Feedstock processors may be eligible to receive up to \$3 million or 50% of the project cost, whichever is less, for the construction, modification, alteration, or retrofitting of a feedstock processing facility that is located and operated in Arkansas. Alternative fuel distributors may be eligible to receive up to \$300,000 or 50% of the project cost, whichever is less, for assisting with the distribution and storage of alternative fuels or alternative fuel mixtures at distribution facilities that are located and operated in Arkansas. Other restrictions and/or requirements may apply. (Reference [Arkansas Code](#) 15-13-101, 15-13-102, 15-13-301 to 15-13-305, and 19-6-809)

#### **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 9-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 10-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 or B80 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 11-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               | 125 c.f. equal 1 gallon              |
| <b>E85</b>                           | Yes               | Not Applicable                       |
| <b>Electric Vehicles/Electricity</b> | Yes               |                                      |
| <b>Gasoline Hybrid Vehicles</b>      | Yes               | Not Applicable                       |
| <b>Hydrogen</b>                      | Yes               | Not Applicable                       |
| <b>LNG (Liquefied Natural Gas)</b>   | No                |                                      |
| <b>LPG (Liquefied Petroleum Gas)</b> | Yes               | Not Applicable                       |
| <b>Methanol or “M85”</b>             | Yes               | Not Applicable                       |
| <b>Other</b>                         | None              | Not Applicable                       |

# STATE OF CALIFORNIA

## Section 1-Contact Information

**Agency:** Board of Equalization, Special Taxes Policy and Compliance Division

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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.

### **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-State Tax Rates**

**Gasoline:** Effective July 1, 2013 through June 30, 2014, \$0.395 per gallon.  
Rate is reset annually each July 1.

**Diesel:** Effective July 1, 2013 through June 30, 2014, \$0.10 per gallon.  
Rate is reset annually each July 1.

Effective July 1, 2013 through June 30, 2014, the Interstate User (IFTA) rate is \$0.453 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, \$0.07 for each 100 cubic feet of compressed natural gas used.

Section 8651.6, \$0.06 for each gallon 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 5-Rate Updates**

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

**Motor Vehicle Fuel:**

R&T Code sections 7360, 7361.1 and 7653.1, increased the excise tax rate on motor vehicle fuel to 39.5 cents (\$0.395) per gallon effective July 1, 2013. 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:**

There was no change to the excise tax rate on diesel fuel (remained at 10 cents (\$0.10) per gallon). The new component b rate for the 2013/14 period is 35.3 cents (\$0.353). These rates may be adjusted annually with the new rate effective July 1 of each year.

### **Section 6-State Collection Allowance**

None

### **Section 7-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. We receive information on loads diverted out of California but we do not focus on those loads.

**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 8 – 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 9-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> |
|--------------------------------------|--|-------------------------|--|--|-------------------------|
| \$0.10/gallon through June 30, 2014. | B100 is diesel fuel and is taxed under the Diesel Fuel Tax Law | Sales Tax               | \$0.09/gallon as long as not more than 15% gasoline is blended with ethanol. | Ethanol containing not more 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. | Sales Tax.              |

**Section 10-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 11-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)               | <b>Not Applicable</b>                |
| <b>E85</b>                           | (1)               | <b>Not Applicable</b>                |
| <b>Electric Vehicles/Electricity</b> | Not Taxed         | <b>Not Applicable</b>                |
| <b>Gasoline Hybrid Vehicles</b>      | Not Taxed         | <b>Not Applicable</b>                |
| <b>Hydrogen</b>                      | Not Taxed         | <b>Not Applicable</b>                |
| <b>LNG (Liquefied Natural Gas)</b>   | (1)               | <b>Not Applicable</b>                |
| <b>LPG (Liquefied Petroleum Gas)</b> | (1)               | <b>Not Applicable</b>                |
| <b>Methanol or “M85”</b>             | (1)               | <b>Not Applicable</b>                |
| <b>Other</b>                         | (1)               | <b>Not Applicable</b>                |

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

# **STATE OF COLORADO**

## **Section 1-Contact Information**

**Agency:** Colorado Department of Revenue

**Name:** Sandra Wiersma

**Street Address:** 1375 Sherman St.

**City, State Zip Code:** Denver, CO 80261

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

**Fax Number:** (303)205-8215

**E-mail Address:** swiersma@dor.state.co.us

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

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

39-27-101 through 121 {C.R.S.}

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

**Gasoline:** within three transactions between licensed distributors after the gasoline has left the terminal.

**Diesel:** within three transactions between licensed distributors after the diesel/special fuel has left the terminal.

**Aviation Fuel:** within three transactions between licensed distributors after the aviation fuel has left the terminal.

**Jet Fuel:** within three transactions between licensed distributors after the jet fuel has left the terminal.

## **Section 4-State Tax Rates**

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

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

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

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

## **Section 5-Rate Updates**

**Please list any rate updates for your state:** LPG, LNG and CNG rate changes will be effective January 1, 2014.

## **Section 6-State Collection Allowance**

Loss/collection allowance rate is \$.02/gallon. Bad debt/ loss/ collection allowance rate is \$.005/gallon.

## **Section 7-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**

(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)**

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 8-Alternative Fuels Incentives and Laws**

Colorado is the proud home of the Denver Metro ([www.denvercleancities.org](http://www.denvercleancities.org)), Northern Colorado ([www.northcolocleancities.com/pages/home.html](http://www.northcolocleancities.com/pages/home.html)), and Southern Colorado Clean Cities Coalitions ([southerncoloradocleancities.org](http://southerncoloradocleancities.org)). Coordinator contact information is listed in the Points of Contact section.

#### **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 special sticker must be obtained from the state Department of Transportation.

##### **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. (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. HEVs also qualify for this incentive.

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)

### Section 9-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 10-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. | Treated like gasoline. Sales between licensed distributors are tax free. The current tax rate is \$0.22/gallon. |

### Section 11-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>*effective January 1, 2014, the conversion rate will be measured by the volumetric reporting requirements that are included in the Federal Excise Tax Return, Form 720.</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>  |

# STATE OF CONNECTICUT

## Section 1-Contact Information

**Agency:** Department of Revenue Services

**Name:** Marc Papandrea

**Street Address:** 25 Sigourney St

**City, State Zip Code:** Hartford, CT 06106

**Phone Number:** 860-541-3228

**Fax Number:** 860-541-7698

**E-mail Address:** [marc.papandrea@po.state.ct.us](mailto:marc.papandrea@po.state.ct.us)

## 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-State Tax Rates

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

**Diesel:** 54.9¢ per gallon (effective 7/1/13 through 6/30/14)

**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 5-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. For the previous period of 7/1/12 to 6/30/13 the diesel fuel tax rate was 51.2¢ per gallon.

### **Section 6-State Collection Allowance**

None

### **Section 7-State Diversion Requirements**

**Diversion Required**

Not currently required though CT is a member of the National Fuel Diversion Registry, therefore diversions that are reported are tracked and confirmed

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

**What diversion registry program do you use?** National Fuel Diversion Registry Service

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

**Diversion Requirements** Use National Fuel Diversion Registry Service

**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 8-Alternative Fuels Incentives and Laws**

**State Incentives:** None at this time.

## Section 9-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> |
|-----------------|---|-------------------------|----------------|------------------------------|-------------------------|
| \$0.54.9/gallon | B100 is taxable when sold as a motor vehicle fuel | None                    | \$0.25/gallon  | Ethanol is taxable           | None                    |

## Section 10-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 \$0.549/gallon | Ethanol is treated like gasoline. The tax rate is \$0.25/gallon. Sales to licensed distributors are tax free. |

## Section 11-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 | <b>82.62 cubic feet equals 1 gallon</b> |
| <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 | <b>Not Applicable</b>                   |
| <b>Methanol or “M85”</b>             | Yes at 25¢ per gallon | <b>Not Applicable</b>                   |
| <b>Other</b>                         |                       | <b>Not Applicable</b>                   |

# **STATE OF DELAWARE**

## **Section 1-Contact Information**

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

**Name:** Russell D. Holleger, 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:** RussellD.Holleger@state.de.us

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

**Please give reference to your Statutes and Rules:** Title 30, Chapter 51

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

**Gasoline:** Distributor

**Diesel:** Distributor

**Aviation Fuel:** Distributor

**Jet Fuel:** Non-taxable

## **Section 4-State Tax Rates**

**Gasoline:** 23 cents per gallon

**Diesel:** 22 cents per gallon

**Aviation Fuel:** 23 cents per gallon

**Jet Fuel:** Non-taxable

### **Section 5-Rate Updates**

**Please list any rate updates for your state:** None currently or anticipated.

### **Section 6-State Collection Allowance**

**We do not have any collection allowance.**

### **Section 7-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)

**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 and use the information for compliance purposes only.

### **Section 8-Alternative Fuels Incentives and Laws**

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 9-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           | None                    |

**Section 10-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 \$0.23/gallon. | 100% denatured Ethanol is not 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 diesel and taxed at \$0.22/gallon. |

**Section 11-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>                |

**STATE OF DISTRICT OF COLUMBIA**  
*(Last updated 2011)*

**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:**

**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:** Yes

**Diesel:** Yes

**Aviation Fuel:** Yes, if delivered to DC by the importer/supplier

**Jet Fuel:** Yes, if delivered to DC by the importer/supplier

**Section 4-State Tax Rates**

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

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

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

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

## **Section 5-Rate Updates**

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

The motor fuel tax rate increased from \$.20 to \$.235 per gallon effective October 1, 2009.

## **Section 6-State Collection Allowance**

None

## **Section 7-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 8-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 \$36.00 per year. (Reference **Error! Hyperlink reference not valid.** 50-2201.03(j)(3) 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.** 50-714)

**Section 9-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 10-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 11-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>                |

# 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

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**Fax Number:** 850 – 488-4654

**E-mail Address:** gonzalee@dor.state.fl.us

## 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.

## Section 4-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

## Section 5-Rate Updates

2013 Rate Update (includes state and local option taxes)

Motor Fuel –

- Gasoline: State = \$.169 per gallon / Local Option = varies by county – see link below)

[http://dor.myflorida.com/dor/tips/pdf/13b05-02\\_chart.pdf](http://dor.myflorida.com/dor/tips/pdf/13b05-02_chart.pdf)

Note – Effective 07/01/2013, an inspection fee rate of \$.00125 was added to the statewide tax rate on motor fuel (gasoline, gasohol, and fuel grade ethanol).

- Diesel: State = \$.169 per gallon / Local Option = \$.141 per gallon)
- Aviation Fuel: \$.069 per gallon
- Jet Fuel: \$.069 per gallon

## Section 6-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 7-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

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

All reportable products.

**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)**

Customer 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?**

a). 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. 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). 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 8-Alternative Fuels Incentives and Laws**

**State Incentives**

**Florida Renewable Energy Technology and Production Tax Incentive Programs**

The 2012 Legislature created three renewable energy tax incentive programs in 2012-117, LOF. The created tax incentives are designed to assist companies in expanding energy production and creating new jobs for Floridians. All forms of renewable energy in Florida, including biomass, solar energy, geothermal energy, wind energy, ocean energy, waste heat and hydroelectric power, are eligible.

The Office of Energy will begin accepting applications for the renewable energy tax incentive programs on May 2, 2013. Below you will find information on the programs including a link to the authorizing statute, rule administering each program, and application.

**Florida Renewable Energy Technologies Sales Tax Refund**

Pursuant to Section 212.08(hhh), F.S., the Florida Renewable Energy Technologies Sales Tax Refund program provides a refund of previously paid Florida sales tax on materials used in the distribution, including fueling infrastructure, transportation, and storage, of

**biodiesel (B10-B100)**, ethanol (E10-E100), and other renewable fuels. An eligible item is subject to a refund one time and must be purchased between July 1 2012, and June 30, 2016. This program is limited to \$1 million in Florida sales tax each state fiscal year for all taxpayers. Applications will be reviewed on a first-come, first-served basis and the amount of sales tax to be refunded will be applied to the fiscal year in which the application is approved.

**Florida Renewable Energy Technologies Investment Tax Credit**

Pursuant to Section 220.192, F.S., the Renewable Energy Technologies Investment Tax Credit program provides an annual corporate tax credit equal to 75 percent of all capital costs, operation and maintenance costs, and research and development costs in connection with an investment in the production, storage, and distribution of biodiesel (B10-B100), ethanol (E10-E100), and other renewable fuel in the state. Eligible costs must be incurred between July 1, 2012, and June 30, 2016, and shall not exceed \$1 million per state fiscal year for each taxpayer with a limit of \$10 million per state fiscal year. Applications must be submitted on or before November 1st of each year and will be reviewed on a first-come, first-served basis. A taxpayer claiming a Renewable Energy Production Credit (below) is ineligible to claim a credit under this program.

**Florida Renewable Energy Production Credit**

Pursuant to Section 220.193, F.S., the Florida Renewable Energy Production Credit program provides an annual corporate tax credit equal to \$0.01/kWh of electricity produced and sold by the taxpayer to an unrelated party during a given tax year. For the purposes of this credit, renewable energy is defined as electrical, mechanical, or thermal energy produced from a method that uses one or more of the following fuels or energy sources: hydrogen, biomass, solar energy, geothermal energy, wind energy, ocean energy, waste heat, or hydroelectric power. The credit may be claimed for electricity produced and sold on or after January 1, 2013, through June 30, 2016. The combined total amount of tax credits which may be granted for all taxpayers under this section is limited to \$5 million in state fiscal year 2012-2013 and \$10 million per state fiscal year in state fiscal years 2013-2014 through 2016-2017. Applications for the first eligible production period, January 1, 2013 through December 31, 2013, are due by January 15, 2014. A taxpayer claiming a Renewable Energy Investment Tax Credit (above) is ineligible to claim a credit under this program.

**Section 9-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>  |
|---------------|------------------------------|-------------------------|--|-------------------------------|--|
| \$0.31/gallon | B100 is taxable              | NA                      | State - \$.169 per gallon /<br>Local Option - varies by county – see link below<br><br><a href="http://dor.myflorida.com/dor/tips/pdf/13b05-02_chart.pdf">http://dor.myflorida.com/dor/tips/pdf/13b05-02_chart.pdf</a> | Fuel grade ethanol is taxable | Subject to Pollutants (\$0.02071) Tax and Inspection Fee (\$0.00125) |

**Section 10-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 \$0.31/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 \$0.169/gallon plus local option tax (varies by county) plus the inspection fee (.00125). |

**Section 11-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 \$0.169/gallon plus local option tax (varies by county) plus the inspection fee (.00125). | <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>   | 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>             | Current tax rate is \$0.169/gallon plus local option tax (varies by county) plus the inspection fee (.00125). | <b>Not Applicable</b>                            |
| <b>Other</b>                         |   | <b>Not Applicable</b>                            |

# STATE OF GEORGIA *(Last updated 2012)*

## **Section 1-Contact Information**

**Agency:** Georgia Department of Revenue  
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**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-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 5-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 6-State Collection Allowance**

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

### **Section 7-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 8-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 9-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 10-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 11-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>                |

# STATE OF HAWAII

## Section 1-Contact Information

**Agency:** Highways Division, Hawaii Department of Transportation  
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**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, §235-110.9, §243-1, §243-3.5, §243-4.

## Section 3-State Point of Taxation

The fuel taxes are collected at 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-State Tax Rates (in cents per gallon)

|                       |      |
|-----------------------|------|
| <b>Gasoline:</b>      | 17.0 |
| <b>Diesel:</b>        | 17.0 |
| <b>Aviation Fuel:</b> | 2.0  |

**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)

### **Section 5-Rate Updates**

**Please list any rate updates for your state:** See Department of Taxation Announcement No. 2013-05 at: <http://www6.hawaii.gov/tax/announce/ann13-05.pdf>.

### **Section 6-State Collection Allowance**

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

### **Section 7-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 8-Alternative Fuels Incentives and Laws**

**State Incentives**

**Ethanol Production Incentive**

An ethanol production incentive equal to 30% of nameplate capacity is available for qualifying facilities if the nameplate capacity is greater than 500,000 but less than 15 million gallons per year. The facility must produce at least 75% of its nameplate capacity

in order to be eligible to receive the tax credit in that year, and the tax credit may be taken for up to eight years. The credit is only available to the first 40 million gallons of ethanol produced per year. Qualifying facilities must be in production before January 1, 2017. (Reference: [Hawaii Revised Statutes §235-110.3](#))

**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:

| Fuel Type                         | Tax                             |
|-----------------------------------|---------------------------------|
| 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 9-Taxability & Tax Rates for Biodiesel and Ethanol**

| B100                     | Motor Fuel Taxability | Misc. Taxability                 | Ethanol                  | Motor Fuel Taxability | Misc. Taxability                 |
|--------------------------|-----------------------|----------------------------------|--------------------------|-----------------------|----------------------------------|
| 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 10-State Taxes Applicable to Imports of Ethanol and Biodiesel**

| Biodiesel                    | Ethanol                      |
|------------------------------|------------------------------|
| Same as stated in Section 9. | Same as stated in Section 9. |

**Section 11-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.         | \$0.17 / 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>                         |                              |  |

# STATE OF IDAHO

## Section 1-Contact Information

**Agency:** Idaho State Tax Commission

**Name:** Carla Pape, Tax Audit Manager, or  
Audit Division, Sales and Fuels Tax Audit Section

Don Williams, Tax Policy Specialist  
Tax Policy Division

**Street Address:** 800 Park Blvd. Plaza IV

**City, State Zip Code:**

Boise, ID 83712-7742

**Phone Number:** Carla: 208 332-4081  
Don: 208 334-7855

**Fax Number:** 208 332-6619

**E-mail Address:**

carla.pape@tax.idaho.gov

don.williams@tax.idaho.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:** Idaho fuels tax laws are located in Idaho Code, Title 63, Chapter 24.

## Section 3-State Point of Taxation

Idaho is a 1<sup>st</sup> receiver state so motor fuels taxes are imposed when the distributor first "receives" the fuel at the terminal in or when a shipment of fuel first arrives within the borders of Idaho, such as tank trucks or railcars.

The statute states:

63-2403. RECEIPT OF MOTOR FUEL -- DETERMINATION. Motor fuel is received as follows:

(1) (a) Motor fuel produced, refined, manufactured, blended or compounded by any person or stored at a pipeline terminal in this state by any person is received by that person when it is loaded into tank cars, tank trucks, tank wagons or other types of

transportation equipment or when it is placed into any tank or other container from which sales or deliveries not involving transportation are made.

(b) Motor fuel is received by a person other than the person designated in subsection (1)(a) of this section in the following circumstances:

(i) Motor fuel delivered from a pipeline terminal in this state to a licensed distributor is received by the licensed distributor to whom it is first delivered.

(ii) Motor fuel delivered to a person who is not a licensed distributor for the account of a person that is so licensed, is received by the licensed distributor for whose account it is shipped.

(2) Notwithstanding the provisions of subsection (1) above, motor fuel shipped or delivered from a refinery or pipeline terminal to another refinery or pipeline terminal, is not received by reason of that shipment or delivery.

(3) Any product other than motor fuel that is blended to produce motor fuel other than at a refinery or pipeline terminal in this state is received by the person who is the owner of the blended fuel after the blending is completed.

(4) (a) Motor fuel imported into this state, other than fuel placed in storage at a refinery or pipeline terminal in this state, is received at the time the fuel arrives in this state by the person who is, at the time of arrival, the owner of the fuel.

(b) Motor fuel imported into this state by a licensed distributor and delivered directly to a person not a licensed distributor is received by the licensed distributor importing that fuel into this state at the time the fuel arrives in this state.

(c) Fuel arrives in this state at the time it crosses the border of this state.

**Gasoline:** At the terminal (rack) when loaded into transport equipment or when the shipment arrives within the borders of Idaho.

**Diesel:** At the terminal (rack) when loaded into transport equipment or when the shipment arrives within the borders of Idaho.

**Aviation Fuel:** At the terminal (rack) when loaded into transport equipment or when the shipment arrives within the borders of Idaho.

**Jet Fuel:** At the terminal (rack) when loaded into transport equipment or when the shipment arrives within the borders of Idaho.

### **Section 4-State Tax Rates**

**Gasoline:** .025/gal

**Diesel:** .025/gal

**Aviation Fuel:** .07/gal

**Jet Fuel:** .06/gal

Each of these fuels is also subject to Idaho's \$.01 transfer fee that is currently in effect.

The per gallon tax rate is:

- Diesel - \$.25 (as of 4/1/96)
- Biodiesel (B00) - \$.25 (as of 4/1/96)
- Biodiesel Blends (B01 - B99) - \$.25 (as of 4/1/96)
- Gasoline - \$.25 (as of 4/1/96)
- Ethanol Blends (E01 - E99) - \$.25 (as of 4/1/96)
- Propane - \$.181 (as of 4/1/96)
- Natural Gas - \$.197 (as of 4/1/96) \* per Therm
- Aviation Gasoline - \$.07 (as of 7/1/08)
- Jet Fuel - \$.06 (as of 7/1/08)
- Transfer Fee - \$.01 (as of 9/1/07)

### **Section 5-Rate Updates**

**Please list any rate updates for your state:** There have been no rate changes or updates in 2013

### **Section 6-State Collection Allowance**

There is no collection allowance per se but the licensed distributor is allowed to deduct 2% of the received gallons for losses from evaporation, handling, spillage, shrinkage. The actual code states: The number of gallons which would be equal to two percent (2%) of the total number of gallons received during the reporting period, less the total number of gallons deducted under subsections (1) through (3) of 63-2407, which credit is granted to the licensed distributor to reimburse him for loss from evaporation, handling, spillage and shrinkage, except losses caused by casualty as provided in subsection (3) of this section 63-2407.

### **Section 7-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 State of Idaho does not want a diversion number. Idaho wants the correct destination written on the Bill of Lading and then the Bill of Lading should be filed with the return. If there is a diverted load the Bill of Lading should be corrected.

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

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 will have to file an amended return to correctly report the change in movement.

**Section 8-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)). Coordinator contact information is listed in the Points of Contact section.

**State Incentives:** None

**Section 9-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>             |
|---------------|------------------------------|-----------------------------|----------------|------------------------------|-------------------------------------|
| \$0.25/gallon | B100 is taxable              | Subject to the Transfer Fee | \$0.25/gallon  | Ethanol is taxable           | Subject to the .01/gal Transfer Fee |

**Section 10-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 \$0.25/gallon. | Ethanol is treated like gasoline. The rate is \$0.25/gallon. Idaho 1 <sup>st</sup> Receiver State for taxes due. |

**Section 11-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>  | \$0.197  | <b>1 therm = 1.27 GGE or 127%</b>           |
| <b>E85</b>                           | .25 per gallon fuels tax plus .01 per gallon transfer fee  | <b>Not Applicable</b>                       |
| <b>Electric Vehicles/Electricity</b> | No VMT or special fees imposed                             |   |
| <b>Gasoline Hybrid Vehicles</b>      | No VMT or special fees imposed. Fuels tax on the gasoline. | <b>Not Applicable</b>                       |
| <b>Hydrogen</b>                      | No Fuels tax or VMT  | <b>Not Applicable</b>                       |
| <b>LNG (Liquefied Natural Gas)</b>   | \$0.197  | <b>1 Therm = 1.387 DGE of LNG or 138.7%</b> |
| <b>LPG (Liquefied Petroleum Gas)</b> | \$0.181 per gal  | <b>4.25 lbs. = 1 Gal</b>                    |
| <b>Methanol or “M85”</b>             | .25 per gallon fuels tax plus .01 per gallon transfer fee. | <b>Not Applicable</b>                       |
| <b>Other</b>                         |  | <b>Not Applicable</b>                       |

# STATE OF ILLINOIS

## Section 1-Contact Information

**Agency:** Illinois Department of Revenue

**Name:** Tina Towsley

**Street Address:** 101 West Jefferson MC 2-263

**City, State Zip Code:** Springfield, IL 62702

**Phone Number:** 217-785-8707

**Fax Number:** 217-785-0692

**E-mail Address:** tina.towsley@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:** Distributor / Supplier / Receiver

**Jet Fuel:** Distributor / Supplier / Receiver

## Section 4-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 5-Rate Updates**

**Please list any rate updates for your state: N/A**

### **Section 6-State Collection Allowance**

1.75% is allowed on timely filed and timely paid amounts

### **Section 7-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 8-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**

**Biofuels Research and Development**

The Renewable Fuels Research, Development, and Demonstration Program is administered by the Illinois Department of Commerce and Economic Opportunity. The goals of this program is to promote and expand the use of biofuels such as ethanol and biodiesel as clean, renewable

transportation fuels, and accelerate the commercialization of new renewable fuel technologies and products. The Biofuels Business Planning Grant Program, a subsidiary of the Illinois Renewable Fuels Research, Development, and Demonstration Program, provides grants of up to \$25,000 for the development of business plans, engineering studies, design studies, permit applications, and legal work for potential new biofuels facilities in Illinois. The Renewable Fuels Development Program provides grants for the construction of new biofuels production facilities with a capacity of at least 30 million gallons per year and/or the expansion of existing biofuel production facilities by at least 30 million gallons per year. The maximum grant award under this program is \$5.5 million per facility.

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

The [Illinois Green Fleets Program](#) recognizes and provides additional marketing opportunities for progressive fleets in Illinois that have a significant number of AFVs and use clean, domestically produced fuels. Various grants and rebates such as the [Illinois Alternate Fuels Rebate Program](#) are available to any resident, business, local government or organization in Illinois. It offers rebates to anyone using E-85 or biodiesel fuels.

**Point of Contact:** The Illinois Environmental Protection Agency

The [Illinois Clean School Bus Program](#) was established by the Illinois Environmental Protection Agency in November 2003 and provides funding to assist schools and school districts to reduce emissions from diesel-powered school buses through emission control retrofits; implementation of cleaner fuels, including biodiesel, propane, and natural gas; and support for emissions reduction policies, including those related to idle reduction. Funding may be restricted to certain counties with further funding being secured through federal grants and other resources to implement the program on a statewide basis.

### **E85 Refueling Infrastructure Grant**

The Illinois Department of Commerce and Economic Opportunity's 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 the grants for up to \$5,000 of the total costs for converting an existing facility to dispense E85, or up to 30% of the cost to construct a new E85 fueling station or to modify a current station, with a maximum grant of \$30,000 per facility.

**Point of Contact:** Renewable Fuels Development Program Manager

Illinois Department of Commerce and Economic Opportunity

### **Alternative Fuel Vehicle (AFV) and Alternative Fuel Rebates**

The [Illinois Alternate Fuels Rebate Program](#) (Rebate Program) provides a rebate for 80% of the incremental cost of purchasing an AFV (up to \$4,000), 80% of the cost of federally certified AFV conversions (up to \$4,000), and for the incremental cost of purchasing alternative fuels. Eligible fuels for the program include E85, diesel fuel blends containing at least 20% biodiesel (B20), natural gas, propane, electricity, and hydrogen. To be eligible, a vehicle must be an on-road vehicle, licensed, and legal to drive on public roads. For all rebates the AFV, conversion system, or alternative fuel must be purchased from an Illinois-based company or vendor. Hybrid electric vehicles are not eligible. The E85 fuel rebate is up to \$450, or \$340 per year (depending on vehicle miles traveled), for three years for each flexible fuel vehicle that uses E85 at least half the time. The biodiesel

fuel rebate (for B20 and higher blends) is for 80% of the incremental cost of the biodiesel fuel, as compared to conventional diesel. The Rebate Program is open to all Illinois residents, businesses, government units (except federal government), and organizations located in Illinois. (Reference 415 [Illinois Compiled Statutes](#) 120/30)

*Point of Contact:* Illinois Environmental Protection Agency and Chicago Area Clean Cities Coalition

### **Section 9-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 10-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 11-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               |                                      |
| <b>E85</b>                           | .19               | <b>Not Applicable</b>                |
| <b>Electric Vehicles/Electricity</b> | N/A               |                                      |
| <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>   | .19               |                                      |
| <b>LPG (Liquefied Petroleum Gas)</b> | .19               |                                      |
| <b>Methanol or “M85”</b>             | .19               | <b>Not Applicable</b>                |
| <b>Other</b>                         | N/A               | <b>Not Applicable</b>                |

# STATE OF INDIANA *(Last updated 2012)*

## **Section 1-Contact Information**

**Agency:** Department of Revenue

**Name:** Julie Jenkins

**Street Address:** 5150 Decatur Blvd

**City, State Zip Code:** Indianapolis, IN 46241

**Phone Number:** 317-615-2534

**Fax Number:** 317-615-2691

**E-mail Address:** [jjenkins@dor.in.gov](mailto:jjenkins@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

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

**Gasoline:**        first received

**Diesel:**            at the rack

**Aviation Fuel:**    first received

**Jet Fuel:**         first received

## **Section 4-State Tax Rates**

**Gasoline:**        \$0.18 + \$0.01 oil inspection fee

**Diesel:**            \$0.16 + \$0.01 oil inspection fee

**Aviation Fuel:**    \$0.18 +\$0.01 oil inspection fee

**Jet Fuel:**         \$0.01 oil inspection fee

## **Section 5-Rate Updates**

**Please list any rate updates for your state:** none

## **Section 6-State Collection Allowance**

\$0.016

## **Section 7-State Diversion Requirements**

### **Diversion Required**

Yes

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

Special Fuel 6-6-2.5-40F

Gasoline 6-6-1.1-606.5

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

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

Special Fuel and Motor Fuel

### **Diversion Requirements**

The shipper or its agent shall provide notification to the Department of Revenue of an intended 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?**

**Any Additional Comments?**

## **Section 8-Alternative Fuels Incentives and Laws**

Indiana is the proud home of the Central Indiana Clean Cities Alliance, Inc. ([www.cicca.org](http://www.cicca.org)) and the South Shore Clean Cities Coalition ([www.southshorecleancities.org](http://www.southshorecleancities.org)). Coordinator contact information is listed in the Points of Contact section.

### **State Incentives**

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

The Indiana Economic Development Corporation (IEDC) may award tax credits under the Hoosier AFV Manufacturer Tax Credit to foster job creation, reduce dependency on imported energy sources, and reduce air pollution as the result of the manufacture or assembly of AFVs in Indiana. AFV manufacturers are eligible for tax credits of up to 15% of the qualified investment for which the credit is claimed. Qualified investments include expenditures in the state that are reasonable and necessary for the manufacture or assembly of AFVs. For the purpose of this incentive, AFVs are defined as vehicles designed to operate on E85, natural gas, liquefied petroleum gas, hydrogen, coal-derived liquid fuels, non-alcohol fuels derived from biological material, P-Series fuels, or electricity. Applications for this incentive must be reviewed and approved by the IEDC. The credit applies to taxable years beginning after December 31, 2006, and before December 31, 2012. Unused credits may be carried forward for up to nine consecutive taxable years. (Reference [House Bill](#) 1461, 2007, and [Indiana Code](#) 6-3.1-31.9)

#### **E85 Fueling Station Grant Program**

Through the E85 Fueling Station Grant Program administered by the Indiana State Department of Agriculture (ISDA), grants of up to \$5,000 are available toward the purchase of new E85 refueling equipment or the conversion of existing equipment to allow for E85 refueling in Indiana. Applications for this grant program must be reviewed and approved by the ISDA, and the total amount of grants awarded for all fiscal years may not exceed \$1 million. (Reference [Senate Bill](#) 270, 2007, and [Indiana Code](#) 15-9-5)

#### **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)

#### **Ethanol Production Tax Credit**

An ethanol producer located in Indiana is entitled to a credit of \$0.125 per gallon of ethanol produced, including cellulosic ethanol. Applications for this incentive must be reviewed and approved by the Indiana Economic Development Corporation. The amount of credits granted to a single taxpayer may not exceed a total of the following amounts for all taxable years:

| <b>Credit</b> | <b>Annual Production</b> |
|---------------|--------------------------|
|---------------|--------------------------|

|             |  |
|-------------|--|
| \$2 million | Between 40 million and 60 million gallons of grain ethanol |
|-------------|--|

|             |  |
|-------------|--|
| \$3 million | At least 60 million gallons of grain ethanol |
|-------------|--|

|              |   |
|--------------|---|
| \$20 million | At least 20 million gallons of cellulosic ethanol |
|--------------|---|

(Reference [House Bill](#) 1722, 2007, and [Indiana Code](#) 6-3.1-28)

### **E85 Fuel Retailer Tax Credit**

An E85 retailer is entitled to a credit against the state gross retail tax in the amount of \$0.18 per gallon of E85 sold during reporting periods ending before July 1, 2020. The total amount of deductions allowed may not exceed \$1 million for all retail merchants in all reporting periods. (Reference [Senate Bill](#) 270, 2007, and [Indiana Code](#) 6-2.5-7-5)

### **E85 Fuel Use Tax Credit**

A political subdivision, defined as a municipal corporation or special taxing district, is entitled to a monthly E85 incentive payment if at least 75% of the motor fuel purchased by the political subdivision in the preceding calendar month for use in flexible fuel vehicles (FFVs) was E85. The amount of the monthly payment is equal to \$33.33 for each FFV owned by the political subdivision and only applies for FFVs that have been owned by the political subdivision for less than five calendar years. This credit expires January 1, 2015. (Reference [Senate Bill](#) 270, 2007, and [Indiana Code](#) 8-14-2-8)

### **Biodiesel Production Tax Credit**

A biodiesel producer located in Indiana is entitled to a credit of \$1.00 per gallon of biodiesel produced. Applications for this incentive must be reviewed and approved by the Indiana Economic Development Corporation (IEDC). The total amount of credits granted to single taxpayer may not exceed \$3 million for all taxable years, but may be increased to \$5 million with prior approval from the IEDC. (Reference [Indiana Code](#) 6-3.1-27-8)

### **Biodiesel Blending Tax Credit**

A biodiesel blender located in Indiana is entitled to a credit of \$0.02 per gallon of blended biodiesel produced at a facility located in Indiana. Applications for this incentive must be reviewed and approved by the Indiana Economic Development Corporation, and the total amount of credits granted to single taxpayer may not exceed \$3 million for all taxable years. (Reference [Indiana Code](#) 6-3.1-27-9)

### **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 9-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 | B100 is taxable              | Subject to Inspection Fee | \$0.16/gallon  | Not taxable                  | Not taxable             |

**Section 10-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 as a special fuel. The rate is \$0.16/gallon. The tax is due when the B100 is imported. Sales to licensed distributors/suppliers are exempt from the tax even for non-bulk shipments. Dyed B100 is not taxed. | n/a            |

**Section 11-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>                |

# STATE OF IOWA

## Section 1-Contact Information

**Agency:** Iowa Department of Revenue  
**Name:** Barb Lewison  
**Street Address:** 1305 E Walnut, 3<sup>th</sup> Floor  
**City, State Zip Code:** Des Moines, IA 50319  
**Phone Number:** 515-281-3729  
**Fax Number:** 515-281-3756  
**E-mail Address:** barbara.lewison@iowa.gov

## Section 2-Statutes and Rules

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

[www.legis.iowa.gov](http://www.legis.iowa.gov)

Iowa state government website: [www.iowa.gov](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-State Tax Rates

**Gasoline:** \$0.21  
**Diesel:** \$0.225  
**Aviation Fuel:** \$0.08  
**Jet Fuel:** \$0.03

## **Section 5-Rate Updates**

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

Rates are updated July 1<sup>st</sup>. Iowa Motor Fuel Tax Rates

## **Section 6-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 7-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**

They do receive information from the National Diversion Registry. They 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 8-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. For gallons sold in 2009 and 2010, the Ethanol Promotion Tax Credit will provide a \$0.065 tax credit to any retailer meeting the renewable fuel standard (RFS) schedule for a given year. For retailers within 2% and 4% of meeting the RFS schedule, the tax credit will be \$0.045 and \$0.025, respectively, for every gallon of ethanol sold. For gallons sold in 2011, the credits are \$.08, \$.06 and \$.025, respectively. For gallons sold in 2012 and subsequent years, the credits are \$.08, \$.06 and \$.04, respectively. (Reference Iowa Code 422.11C, 422.11N, and 422.33)

##### **E85 Retailer Tax Credit**

A tax credit is available to retail stations dispensing E85 for use in motor vehicles in the amount of \$0.25 per gallon sold in calendar year 2008, \$0.20 per gallon for calendar years 2009 and 2010, and \$0.10 per gallon in calendar year 2011. The tax credit is \$0.16 per gallon for 2012-2017, and expires after December 31, 2017. Taxpayers claiming the E85 tax credit may also claim the ethanol promotion credit for the same tax year and same gallon of fuel. (Reference Iowa Code 422.11O)

##### **Biodiesel Tax Credit**

Through December 31, 2011, retailers whose diesel sales at a particular location are at least 50% biodiesel (with a minimum content of 2% biodiesel) are eligible for a \$0.03 per gallon tax credit on each gallon of B2 or higher blends sold at that location. (Reference <http://www.legis.iowa.gov/Iowa Code 422.11P>). Starting for tax years beginning on or after January 1, 2012, the 50% threshold test has been eliminated. For gallons sold in 2012, the tax credit is \$.02 per gallon for blends from B2-B4, and \$.045 per gallon for blends B5 and higher. For gallons sold in 2013-2017, the tax credit is \$.045 per gallon for blends B5 and higher. No credit is available for blends lower than B5. The credit will expire after December 31, 2017.

##### **E15 Plus Gasoline Tax Credit**

An E-15 plus gasoline promotion tax credit is available to retail dealers of gasoline who sell E-15 plus gasoline. This is gasoline with an ethanol content of at least 15%, but less than 70% (Ethanol with a content of 70% or higher is classified as E-85 gasoline). The tax credit rate is \$.03 per gallon for calendar years 2012-2014, and \$.02 per gallon for calendar years 2015-2017. The tax credit will expire after December 31, 2017. The

credit is available for E-15 plus gallons sold on or after July 1, 2011. Gallons sold from July 1, 2011 through December 31, 2011 will receive a tax credit equal to \$.03 per gallon. Taxpayers claiming the E15 plus gasoline tax credit may also claim the ethanol promotion credit for the same tax year and same gallon of fuel.

### **Biodiesel Production Sales/Use Tax Refund**

For biodiesel gallons produced between January 1, 2012 and December 31, 2014, a person who qualifies as a biodiesel producer may apply for a refund of the amount of sales or use tax imposed and paid upon purchases made by the person. The person must be engaged in the manufacturing of biodiesel. The refund amount is \$.03 per gallon for 2012, \$.025 per gallon for 2013 and \$.02 per gallon for 2014. The refund will expire after December 31, 2014.

A biodiesel producer is only eligible for the refund for no more than 25 million gallons of biodiesel produced during each calendar year.

### **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**

The [Alternate Energy Revolving Loan Program](#) (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/IowaCode> 476.46)

### **Alternative Fuel Production Loans**

The Value-Added Agricultural Products and Processes Financial Assistance Program offers 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 and the High Quality Job Creation 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) 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, 2019. 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> |
|----------------------------|----------------------------|
| 2009: 10%                  | 2014: 15%                  |
| 2010: 11%                  | 2015: 17%                  |
| 2011: 12%                  | 2016: 19%                  |
| 2012: 13%                  | 2017: 21%                  |
| 2013: 14%                  | 2018: 23%                  |

(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 9-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> |
|----------------|------------------------------|-------------------------|----------------|------------------------------|-------------------------|
| \$0.225/gallon | B100 is taxable              |                         | \$0.19/gallon  | Ethanol is taxable           |                         |

**Section 10-State Taxes Applicable to Imports of Ethanol and Biodiesel**

| <b>Biodiesel</b> | <b>Ethanol</b> |
|------------------|----------------|
| \$0.225          | \$0.19         |

**Section 11-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>  | \$0.16 Per 100 Cubic Foot |                                      |
| <b>E85</b>                           | \$0.19                    | <b>Not Applicable</b>                |
| <b>Electric Vehicles/Electricity</b> | Not Applicable            |                                      |
| <b>Gasoline Hybrid Vehicles</b>      | Same as gasoline          | <b>Not Applicable</b>                |
| <b>Hydrogen</b>                      | Not Applicable            | <b>Not Applicable</b>                |
| <b>LNG (Liquefied Natural Gas)</b>   | \$0.225                   |                                      |
| <b>LPG (Liquefied Petroleum Gas)</b> | \$0.20                    |                                      |
| <b>Methanol or “M85”</b>             | Not Applicable            | <b>Not Applicable</b>                |
| <b>Other</b>                         | Not Applicable            | <b>Not Applicable</b>                |

# 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@kdor.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.

**Jet Fuel:** Reportable, but not taxable unless used in a taxable manner.

## **Section 4-State Tax Rates**

**Gasoline:** \$.24 per gallon

**Diesel:** \$.26 per gallon

**E-85:** \$.17 per gallon

**Liquid Petroleum:** \$.23 per gallon

**Aviation Fuel:** \$.24 per gallon if used in a taxable manner.

**Jet Fuel:** \$.26 per gallon if used in a taxable manner.

## **Section 5-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.

## **Section 6-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 7-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 8-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**

The Kansas Qualified Biodiesel Fuel Producer Incentive Fund enables qualified biodiesel fuel producers to apply for a production incentive with the Department of Revenue. A biodiesel fuel production incentive is available in the amount of \$.30 per gallon of biodiesel fuel sold by a qualified Kansas biodiesel fuel producer. The incentive is payable to producers from the Kansas Qualified Biodiesel Fuel Producer Incentive Fund. Funding will be made available for the production of biodiesel fuel beginning July 1, 2007.

- \$.30 for each gallon **sold** by the producer.
- \$50,000 per quarter continues to be deposited for this incentive, during fiscal year 2014, for distribution. If production exceeds the fund balance, a proration of the distribution is performed.
- The incentive is not being funded for fiscal year 2015.
- Funding resumes for fiscal year 2016 (beginning July 1, 2015), with quarterly deposits of \$875,000, based on funds available in the State Highway Fund.
- Program sunsets 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).
- 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 9-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> | \$0.17/gallon for E85<br>\$0.24/gallon for all other blends | Not taxable until blended    | Not taxable until blended |

**Section 10-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 is not treated like gasoline. There is no tax on ethanol until it is blended. 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 11-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>  | \$ .23/gallon     | <b>120 cubic feet = 1 gallon</b>     |
| <b>E85</b>                           | \$ .17/gallon     | <b>Not Applicable</b>                |
| <b>Electric Vehicles/Electricity</b> | Not Applicable    | <b>Not Applicable</b>                |
| <b>Gasoline Hybrid Vehicles</b>      | \$ .24/gallon     | <b>Not Applicable</b>                |
| <b>Hydrogen</b>                      | Not Applicable    | <b>Not Applicable</b>                |
| <b>LNG (Liquefied Natural Gas)</b>   | \$ .23/gallon     | <b>Not Applicable</b>                |
| <b>LPG (Liquefied Petroleum Gas)</b> | \$ .23/gallon     | <b>Not Applicable</b>                |
| <b>Methanol or “M85”</b>             | Not Applicable    | <b>Not Applicable</b>                |
| <b>Other</b>                         | Not Applicable    | <b>Not Applicable</b>                |

# STATE OF KENTUCKY

## Section 1-Contact Information

**Agency:** Department of Revenue

**Name:** Michael Grammer

**Street Address:** 501 High Street

**City, State Zip Code:** Frankfort, KY 40601

**Phone Number:** 502-564-1234

**Fax Number:** 502-564-2906

**E-mail Address:** Michael.Grammer@ky.gov

## Section 2-Statutes and Rules

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

## 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(4)(b)

## Section 4-State Tax Rates

**Gasoline:** July 01 to September 31, 2013 Gasoline's tax rate is \$0.309 per gallon.

**Diesel:** July 01 to September 31, 2013 Special Fuel's tax rate is \$0.279 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 5-Rate Updates**

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

Motor Fuel Tax Rates are updated quarterly based on the average wholesale price (AWP) calculation for the first month of the preceding quarter.

## **Section 6-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 7-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 8-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 9-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 fuels 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 10-State Taxes Applicable to Imports of Ethanol and Biodiesel**

| <b>Biodiesel</b>   | <b>Ethanol</b>  |
|--|---|
| B00 to B99 is treated like diesel fuel and is subject to the Special Fuel's Tax rate | Ethanol is not taxed until blended or used wholly on the road. Then it is subject to the Gasoline Tax Rate. |

**Section 11-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>  | Taxed as a Special Fuel   | 5.66 lbs. equals one (1) gal.        |
| <b>E85</b>                           | Taxed as Gasoline   | <b>Not Applicable</b>                |
| <b>Electric Vehicles/Electricity</b> | Not Applicable  | Not Applicable                       |
| <b>Gasoline Hybrid Vehicles</b>      | Not Applicable  | <b>Not Applicable</b>                |
| <b>Hydrogen</b>                      | Taxed as a Special Fuel   | <b>Not Applicable</b>                |
| <b>LNG (Liquefied Natural Gas)</b>   | Taxed as a Special Fuel   | 5.66 lbs. equals one (1) gal.        |
| <b>LPG (Liquefied Petroleum Gas)</b> | Taxed at the same rate as Gasoline  | Not Applicable                       |
| <b>Methanol or “M85”</b>             | Taxed at the same rate as Gasoline if blended or used wholly as a motor fuel. | <b>Not Applicable</b>                |
| <b>Other</b>                         | Not Applicable  | <b>Not Applicable</b>                |

# STATE OF LOUISIANA

## Section 1-Contact Information

**Agency:** Louisiana Department of Revenue  
**Name:** Mark Dwyer  
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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:** mark.dwyer@la.gov

## Section 2-Statutes and Rules

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

Louisiana Revised Statutes 47:818.1 - 818.104  
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-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 5-Rate Updates**

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

All fuels, including dyed diesel and aviation/jet fuels, staying within Louisiana are subject to a Petroleum Products Inspection Fee of \$0.00125 per gallon [LA RS 3:4684]

## **Section 6-State Collection Allowance**

LA RS 47:818.22 – suppliers/permissive suppliers allowed one and 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 percent to a valid licensed distributor or importer

## **Section 7-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 8-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, and shall be equal to fifty percent of the cost of the qualified clean-burning motor vehicle fuel property. "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 Louisiana Revised Statutes 47:301(7)(j) and (10)(y)(i)).

**Section 9-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/gallon | B100 is taxable              | Subject to the Inspection Fee of \$0.00125 per gallon | \$0.20/gallon  | Ethanol is taxable           | Subject to the Inspection Fee of \$0.00125 per gallon |

**Section 10-State Taxes Applicable to Imports of Ethanol and Biodiesel**

| <b>Biodiesel</b>   | <b>Ethanol</b>  |
|--|---|
| B100 is treated same as conventional diesel fuel. The tax rate is \$0.20/gallon. | Ethanol is treated same as gasoline. The rate is \$0.20/gallon. |

**Section 11-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 – tax paid through Special Fuels decal | <b>GGE</b>                           |
| <b>E85</b>                           | Taxed same a gasoline  | <b>Not Applicable</b>                |
| <b>Electric Vehicles/Electricity</b> | No   |                                      |
| <b>Gasoline Hybrid Vehicles</b>      | Gasoline used as fuel  | <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 – tax paid through Special Fuels decal | <b>GGE</b>                           |
| <b>LPG (Liquefied Petroleum Gas)</b> | Taxable when used as a vehicle fuel – tax paid through Special Fuels decal | <b>GGE</b>                           |
| <b>Methanol or “M85”</b>             | Taxable when used as a road vehicle fuel                                   | <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 is currently through the use of Special Fuels decals as provided in Louisiana Revised Statute 818.101-104.

# STATE OF MAINE

## Section 1-Contact Information

**Agency:** Maine Revenue Services

**Name:** Sara Lewis

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**City, State Zip Code:** Augusta ME 04332-1060

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**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-State Tax Rates

**Gasoline:** \$0.300

**Diesel:** \$0.312

**Aviation Fuel:** \$0.300

**Jet Fuel:** \$0.034

## **Section 5-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.

## **Section 6-State Collection Allowance**

None

## **Section 7-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 8-Alternative Fuels Incentives and Laws**

### **Biofuel Production Incentive**

A taxpayer engaged in the production of certified biofuel in Maine is allowed a credit of \$0.05 per gallon against the tax imposed on income derived during the taxable year from the production of that biofuel. When certified biofuel is blended with petroleum or other non-biofuels, the credit allowed will be limited to the portion of that blend that constitutes biofuel. The credit allowed, including carryovers, may not reduce the tax liability otherwise due to less than zero. A person entitled to a credit for any taxable year may carry over and apply the portion of any unused credit to the tax liability on income derived from the production of biofuel for any one or more of the next ten taxable years. The term —biofuel” means any liquid or gaseous product or energy source used as a substitute for liquid or gaseous fuels that is derived from agricultural crops or residues or

from forest products or by-products, as distinct from petroleum or other fossil carbon sources. Biofuel includes, but is not limited to, ethanol, methanol derived from biomass, levulinic acid, biodiesel, pyrolysis oils from wood, hydrogen or methane from biomass, or combinations of any of the above that may be used to propel motor vehicles either alone or in blends with conventional gasoline or diesel fuels or that may be used in place of petroleum products in whole or in part to fire heating devices or any stationary power device. (Title 36, Section 5219-X)

**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 will be effective July 1, 2009. 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 9-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> |
|----------------|------------------------------|-------------------------|----------------|------------------------------|-------------------------|
| \$0.287/gallon | B100 is taxable              | None                    | \$0.198/gallon | Ethanol is taxable           | None                    |

**Section 10-State Taxes Applicable to Imports of Ethanol and Biodiesel**

| <b>Biodiesel</b>                             | <b>Ethanol</b>                                  |
|--|---|
| B100 is taxed at the rate of \$0.287/gallon. | Ethanol is taxed at the rate of \$0.198/gallon. |

**Section 11-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 100 cubic feet                          |
| <b>LPG (Liquefied Petroleum Gas)</b> | Taxable at .219          | Per gallon                                  |
| <b>Methanol or “M85”</b>             | Taxable at combined rate | 85%*.147(Methanol rate) + 15% of other fuel |
| <b>Other</b>                         |                          | Not Applicable                              |

# STATE OF MARYLAND

## Section 1-Contact Information

**Agency:** Comptroller of Maryland

**Name:** Chuck Ulm

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**City, State Zip Code:** Annapolis, MD 21401

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**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:**

## 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 of First sale(TG-314)

**Jet Fuel:** Turbine Fuel- Distributor level (TG 9-314)

## Section 4-State Tax Rates

**Gasoline:** .2700/gallon

**Diesel:** .2775/gallon

**Aviation Fuel:** .07/gallon

**Jet Fuel:** .07/gallon

## **Section 5-Rate Updates**

**Please list any rate updates for your state:** New motor fuel tax rates effective July 1, 2013 included in earlier section.

## **Section 6-State Collection Allowance**

See TG 9-315 for specific authorizations

## **Section 7-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.us(Trac3)

**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?** Must be licensed to Import or Export. 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 8-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 9-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>      |
|-----------------|------------------------------|------------------------------|-----------------|------------------------------|------------------------------|
| \$0.2775/gallon | B100 is taxable              | Subject to the Oil Spill Fee | \$0.2700/gallon | Ethanol is taxable           | Subject to the Oil Spill Fee |

**Section 10-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 \$0.2775/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 rate is \$0.2700/gallon. The tax is due when the product is imported and there are no provisions for tax free sales to licensed distributors. |

**Section 11-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><br><b>Pounds-divide by 4.24</b>      |
| <b>Methanol or “M85”</b>             | yes               | <b>Not Applicable</b>  |
| <b>Other</b>                         |                   | <b>Not Applicable</b>  |

## STATE OF MASSACHUSETTS

### Section 1-Contact Information

**Agency:** Massachusetts Department of Revenue

**Name:** Robert V. Carr, Miscellaneous Excises

**Street Address:** 200 Arlington Street

**City, State Zip Code;** Chelsea, MA 02150

**Phone Number:** 617 887-6766

**Fax Number:** 617 887-5039

**E-mail Address:** carro@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-State Tax Rates**

<http://www.mass.gov/dor/docs/dor/business/taxguide/fuels/fuelsratecurr.pdf>

**Gasoline:** 21 cents per gallon - fixed

**Diesel:** 21 cents per gallon - fixed

**Aviation Fuel:** 32.8 cents per gallon (3Q 12) – set quarterly

**Jet Fuel:** 16.1 cents per gallon (3Q 12) – set quarterly

## **Section 5-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 6-State Collection Allowance**

None

## **Section 7-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)** N/A

**Do you require the Supplier/Distributor to rebill or give a credit for the diverted load?** Must be licensed to Import or Export. No refund would be needed.

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

**Any Additional Comments?**

## **Section 8-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 9-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>  |
|---------------|------------------------------|--------------------------|----------------|------------------------------|--------------------------|
| \$0.21/gallon | B100 is taxable              | Subject to the Spill Fee | \$0.21/gallon  | Ethanol is taxable           | Subject to the Spill Fee |

## **Section 10-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 \$0.21/gallon. Sales to licensed suppliers are tax free. | Ethanol is not taxed until blended with gasoline. The rate is \$0.21/gallon. Sales between licensed distributors/exporters are permitted. |

**Section 11-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>                |

# **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-State Tax Rates**

**Gasoline:** \$.19

**Diesel:** \$.15

**Aviation Fuel:** \$.03

**Jet Fuel:** \$.03

## **Section 5-Rate Updates**

None

## **Section 6-State Collection Allowance**

1.5% on Gasoline

## **Section 7-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 8-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 9-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>   |
|-------------------------|------------------------------|---|----------------|------------------------------|---|
| \$0.15/gallon           | Is taxable                   | Subject to the Prepaid Sales tax and the Environmental Protection Fee | \$0.19/gallon  | Ethanol is taxable           | Subject to the Prepaid Sales tax and the Environmental Protection Fee |

## Section 10-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 \$0.15/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 \$0.19/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 11-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>  | No                                |                                      |
| <b>E85</b>                           | Yes, Taxed as Gasoline            | <b>Not Applicable</b>                |
| <b>Electric Vehicles/Electricity</b> | No                                |                                      |
| <b>Gasoline Hybrid Vehicles</b>      | Yes, Taxed as Gasoline            | <b>Not Applicable</b>                |
| <b>Hydrogen</b>                      | No                                | <b>Not Applicable</b>                |
| <b>LNG (Liquefied Natural Gas)</b>   | No                                |                                      |
| <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>                |

# 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:** 507-523-1030

**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-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:** \$0.05 (\$0.15 effective July 1, 2014)

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 5-Rate Updates

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

Effective July 1, 2014:

- 1) Jet fuel and special fuels used as substitutes for aviation gasoline tax.**  
Amends Minn. Stat. § 296A.09, subd.2, to increase the excise tax on jet fuel and special fuel used as a substitute for aviation gasoline from five cents per gallon to 15 cents per gallon. (The five cent per gallon tax on aviation gasoline is not charged.) This section is effective July 1, 2014, and applied to sales and purchases made on or after that date.
  
- 2) Refund of jet fuel tax on graduated basis.** Amends Minn. Stat. § 296A.17, subd. 3 to allow a graduated refund to persons who paid the tax under subd. 1 and who paid the airflight property tax under section 270.72. Effective July 1, 2014, and applied to sales and purchases made on or after that date.

296A.083 Debt service surcharge.

Subdivision 1. Definitions.

For purposes of this section, the following terms have the meanings given them:

- (1) "debt service" means the amount of principal and interest in each fiscal year attributable to the trunk highway bonds authorized in Laws 2008, chapter 152, article 2; and
- (2) "surcharge" means the rate imposed under this section on gasoline taxed under section 296A.07, subdivision 3, clause (3), and includes a proportional rate for each type of fuel taxed under sections 296A.07, subdivision 3, clauses (1) and (2), and 296A.08, subdivision 2.

Subd. 2. Debt service forecast.

On June 30, 2008, and each March 1 thereafter, the commissioner of management and budget shall report to the commissioner of revenue on trunk highway debt service. The

report must include the annual amount of revenue from the surcharge previously deposited in the trunk highway fund, and a forecast of the total and annual amounts necessary to pay the remaining debt service.

Subd. 3. Surcharge rate.

(a) By July 16, 2008, and each April 1 thereafter, the commissioner of revenue shall calculate and publish a surcharge as provided in paragraphs (b) and (c). The surcharge is imposed from August 1, 2008, through June 30, 2009, and each new surcharge thereafter is imposed the following July 1 through June 30.

(b) For fiscal years 2009 through 2012, the commissioner shall set the surcharge as specified in the following surcharge rate schedule.

Surcharge Rate Schedule

Fiscal Year    Rate (in cents per gallon)

2009    0.5

2010    2.1

2011    2.5

2012    3.0

(c) For fiscal year 2013 and thereafter, the commissioner shall set the surcharge at the lesser of (1) 3.5 cents, or (2) an amount calculated so that the total proceeds from the surcharge deposited in the trunk highway fund from fiscal year 2009 to the upcoming fiscal year equals the total amount of debt service from fiscal years 2009 to 2039, and the surcharge is rounded to the nearest 0.1 cent.

History: 2008 c 152 art 2 s 1; 2009 c 101 art 2 s 109

Currently at maximum rate of \$0.035/gallon

### **Section 6-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 7-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 8-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 \$2.474 per thousand cubic. (Reference Minnesota Statutes 296A.07 and 296A.08)

**Section 9-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 10-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 11-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>  | \$2.474 per 1000 cf | <b>114.10</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      | <b>1.65</b>                          |
| <b>LPG (Liquefied Petroleum Gas)</b> | \$0.2135/gallon     | <b>N/A</b>                           |
| <b>Methanol or “M85”</b>             | N/A<br>N/A          | <b>Not Applicable</b>                |
| <b>Other</b>                         | N/A                 | <b>Not Applicable</b>                |

# **STATE OF MISSISSIPPI**

## **Section 1-Contact Information**

**Agency:** Mississippi Department of Revenue

**Name:** Bill Kron

**Street Address:** 1577 Springridge Rd.

**City, State Zip Code:** Raymond, MS 39154

**Phone Number:** 601-923-7152

**Fax Number:** 601-923-7165

**E-mail Address:** Bill.Kron@dor.ms.gov

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

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

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

**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 4-State Tax Rates**

**Gasoline:** .18

**Diesel:** Undyed .18 Dyed /0575

**Aviation Fuel:** .064

**Jet Fuel:** .0525

## **Section 5-Rate Updates**

**Please list any rate updates for your state:** none

## **Section 6-State Collection Allowance**

## **Section 7-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)**  
Customer claims 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 8-Alternative Fuels Incentives and Laws**

**State Incentives**

**Biofuels Production Incentive**

Mississippi's Commissioner of Agriculture and Commerce is authorized to make direct payments to ethanol and biodiesel producers located in Mississippi. The amount of payment for each producer's annual production is \$0.20 per gallon, up to 30 million gallons per year per producer, for a period of up to 10 years following the start date of production. No payments will be made for production that occurs after June 30, 2015, and the maximum total annual payment to a single producer per fiscal year is \$6 million. (Reference Mississippi Code 69-51-5)

**Section 9-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              | Subject to the Environmental Protection Fee | \$0.18/gallon  | Ethanol is taxable           | Subject to the Environmental Protection Fee |

**Section 10-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 11-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>                |

# STATE OF MISSOURI

## Section 1-Contact Information

**Agency:** Missouri Department of Revenue

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**City, State Zip Code:** Jefferson City, MO 65105

**Phone Number:** 573-751-3804

**Fax Number:** 573-522-1720

**E-mail Address:** [keith.gast@dor.mo.gov](mailto:keith.gast@dor.mo.gov) or [excise@dor.mo.gov](mailto: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;  
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-State Tax Rates

**Gasoline:** \$.17 cents per gallon; \$.0005 cents per gallon agriculture inspection fee; \$.0025 cents per gallon underground storage fee

**Diesel:** \$.17 cents per gallon; \$.0005 cents per gallon agriculture inspection fee; \$.0025 cents per gallon underground storage fee

**Aviation Fuel:** \$.09 cents per gallon; \$.0005 cents per gallon agriculture inspection fee; \$.0025 cents per gallon underground storage fee

**Jet Fuel:** No fuel tax - \$.0005 cents per gallon agriculture inspection fee; \$.0025 cents per gallon underground storage fee

### **Section 5-Rate Updates**

**Please list any rate updates for your state:** N/A

### **Section 6-State Collection Allowance**

Three percent for gasoline, gasoline blends and gasoline blend stocks  
Two percent for diesel, diesel blends, and diesel blend stocks

### **Section 7-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?** The National Fuel Diversion Registry Program through FTA and 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 precollects 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)**

Supplier or distributor claims 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 8-Alternative Fuels Incentives and Laws**

Missouri is the proud home of the St. Louis Regional ([www.stlcleancities.org](http://www.stlcleancities.org)) and the Kansas City Regional Clean Cities Coalitions. Coordinator contact information is listed in the Points of Contact section.

#### **State Incentives**

##### **Ethanol Production Incentive**

Qualified ethanol producers are eligible for incentives through the Missouri Ethanol Producer Incentive Fund. The Fund provides \$0.20 per gallon for the first 12.5 million gallons and \$0.05 for the second 12.5 million gallons of ethanol produced from Missouri agricultural products each fiscal year. The Fund is administered by the Department of Agriculture, Robin Perso, (573) 526-4892 or [Robin.Perso@mda.mo.gov](mailto:Robin.Perso@mda.mo.gov). This expires on December 31, 2015. (Reference [Missouri Revised Statutes](#) 142.028 and 142.029)

##### **Biodiesel Production Incentive**

The Missouri Qualified Biodiesel Producer Incentive Fund provides a monthly grant to qualified Missouri biodiesel producers, provided that 1) at least 51% of the production facility is owned by agricultural producers who are residents of the state and who are actively engaged in agricultural production for commercial purposes or 2) at least 80% of the feedstock used by the facility originates in-state. All of the feedstock must originate in the U.S. However, the feedstock requirement may be waived on a month-to-month basis if the facility provides verification that adequate feedstock is not available. The value of the grant is \$0.30 per gallon for the first 15 million gallons produced in a fiscal year and \$0.10 per gallon for the next 15 million gallons produced in a fiscal year, up to a total of 30 million gallons and for 60 months maximum per producer. This fund is

administered by the Missouri Department of Agriculture, Robin Perso, (573) 526-4892 or Robin.Perso@mda.mo.gov. Biodiesel is defined according to American Society for Testing and Materials (ASTM) Standard D-6751 or its subsequent standard specifications for biodiesel fuel (B100) blend stock for distillate fuels. This incentive expires December 31, 2009. (Reference [House Bill](#) 741, 2007 and [Missouri Revised Statutes](#) 142.031)

**Biodiesel Fuel Use Incentive**

Through the 2011-12 school year, school districts are allowed to establish contracts with nonprofit, farmer-owned new generation cooperatives to purchase biodiesel blends of 20% (B20) or higher for use as bus fuel. Every school district that contracts with an eligible new generation cooperative for biodiesel will receive an additional payment through its state transportation aid payment, to offset the incremental cost of purchasing the biodiesel. (Reference [Missouri Revised Statutes](#) 414.433)

**Fleet Biodiesel Fuel Use Incentive**

The Biodiesel Fuel Revolving Fund uses the money generated by the sale of Energy Policy Act (EPAct) 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):

| Gross Vehicle Weight         | Type of Vehicle  | Decal Fee |
|------------------------------|--|-----------|
| 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. (Reference [Missouri Revised Statutes](#) 142.803 and 142.869)

**Section 9-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 10-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 11-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>  | Considered an alternative fuel (See Section 8 Alternative Fuel) |                                      |
| <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>   | Considered an alternative fuel (See Section 8 Alternative Fuel) |                                      |
| <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>                |

# 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 12; Chapter 70, Parts 2 and 3 Gasoline License Tax and Special Fuel Tax. Administrative Rules of Montana (ARM) Title 18, Chapter 9 Motor Fuels –Gasoline Tax, Chapter 10 Motor Fuels Tax Division – Other Fuels, Chapter 11 Motor Fuels – Seizure

## Section 3-State Point of Taxation

**Gasoline:** Distributor (MCA 15-70-201, 202, 204& 205, ARM 18.9.101)

**Diesel:** Distributor (MCA 15-70-301, 341, 343 & 344, ARM 18.9.101)

**Aviation Fuel:** Distributor (MCA 15-70-201, 202, 204& 205, ARM 18.9.101)

**Jet Fuel:** Distributor (MCA 15-70-201, 202, 204& 205, ARM 18.9.101)

## Section 4-State Tax Rates

**Gasoline:** \$0.27 (MCA 15-70-204)

**Diesel:** \$0.2775(MCA 15-70-321)

**Aviation Fuel:** \$0.04 (MCA 15-70-204)

**Jet Fuel:** \$0.04 (MCA 15-70-204)

## **Section 5-Rate Updates**

**Please list any rate updates for your state:** None

## **Section 6-State Collection Allowance**

1% collection allowance on Gasoline and Special Fuels. There is no collection allowance on Aviation or Jet Fuel. (MCA 15-70-205 & 15-70-344)

## **Section 7-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 also is 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 8-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 [House Bill 166](#), 2007, and [MCA 15-70-369](#))

### **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 Production Incentive**

**None – Statute sunset July 1, 2010.**

### **Biodiesel Tax Exemption**

Biodiesel produced from waste vegetable oil feedstock is exempt from the special fuel tax imposed in MCA 15-70-321, when 2500 gallons or less is produced annually and used exclusively for personal use by a special biodiesel fuel producer. (Reference [House Bill 416, 2009](#), and [MCA 15-70-320](#))

### **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 9-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>     |
|-----------------|------------------------------|-----------------------------|----------------|------------------------------|-----------------------------|
| \$0.2775/gallon | B100 is taxable              | Subject to the Clean-up Fee | \$0.27/gallon  | Ethanol is taxable           | Subject to the Clean-up Fee |

### **Section 10-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 \$0.2775/gallon. Sales to licensed distributors are tax free. | Ethanol is included in the statutory definition of fuel and is taxed like gasoline. The tax rate is \$0.27/gallon. Sales to licensed distributors are tax free. |

**Section 11-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>                |

# STATE OF NEBRASKA

## Section 1-Contact Information

**Agency:** Nebraska Department of Revenue, Motor Fuels Division

**Name:** Marcia Leichner

**Street Address:** 1313 Farnam Street

**City, State Zip Code:** Omaha, NE 68102

**Phone Number:** 402-595-2013

**Fax Number:** 402-595-1041

**E-mail Address:** 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.ne.gov/fuels/regs/fueltax.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-State Tax Rates

|   |  |
|---|--|
| <b>Gasoline:</b> Jan 1, 2013 – Jun 30, 2013 | 24.6 cents per gallon                                  |
| Jul 1, 2013 – Dec 31, 2013                  | 26.3 cents per gallon (subject to change semiannually) |

**Diesel:** Jan 1, 2013 – Jun 30, 2013 24.6 cents per gallon  
Jul 1, 2013 – Dec 31, 2013 26.3 cents per gallon (subject to  
change semiannually)

**Aviation Fuel:** 5.0 cents per gallon

**Jet Fuel:** 3.0 cents per gallon

### **Section 5-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.

### **Section 6-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 7-State Diversion Requirements**

**Diversion Required** Yes

**If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number.** Per [Neb. Rev. Stat. § 66-503 \(2\) \(a\)](#), any person importing motor vehicle fuel or diesel fuel into the State of Nebraska for the purpose of delivery in this state who does not have in his or her possession an original unaltered bill of sale, bill of lading, or manifest identifying Nebraska as the destination state shall obtain a motor fuel delivery permit number

prior to delivering such fuel. A separate motor fuel delivery permit number shall be required each time such person enters Nebraska for the purpose of delivering motor vehicle fuel or diesel fuel in Nebraska. Prior to issuance of a motor fuel delivery permit number, the person shall provide his or her Nebraska liquid fuel carriers license number, the type and amount of fuel being imported, where obtained, the destination, the original bill of sale, bill of lading, or manifest number, if applicable, and such other information as the Department of Revenue deems necessary.

**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 8-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. (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 \$250,000 per borrower, and the interest rate is 5% or less. In addition, businesses can qualify for 2.5% loans for up to \$750,000 for qualifying projects. (Refer to the [Nebraska Energy Office](#) website for additional information.)

**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 solely by an alternative fuel on state highways to purchase an alternative fuel user permit in order to pay their estimated fuel tax liability. 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. Effective January 1, 2012, 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 liquefied petroleum gas (LPG) and compressed natural gas (CNG) and states that an excise tax of \$0.075 per gallon or gallon equivalent is imposed on all LPG and CNG fuel sold for use in registered motor vehicles. Additionally, each retailer of such fuel shall pay an excise tax of \$0.028 per gallon or gallon equivalent on all LPG and CNG fuel sold for use in registered motor vehicles. These rates are effective July 1, 2009. Additional variable taxes, subject to change on January 1 and July 1 as specified under these statutes, will also apply. ([Neb. Rev. Stat. §§ 66-697 through 66-6,116](#))

**Section 9-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>          |
|---|------------------------------|----------------------------------|---|------------------------------|----------------------------------|
| \$0.246/gallon effective 1/1/13 and \$0.263/gallon effective 7/1/13 | B100 is taxable              | Subject to the Environmental Fee | \$0.246/gallon effective 1/1/13 and \$0.263/gallon effective 7/1/13 | Ethanol is taxable           | Subject to the Environmental Fee |

## **Section 10-State Taxes Applicable to Imports of Ethanol and Biodiesel**

| <b>Ethanol</b>   | <b>Biodiesel</b>  |
|--|---|
| <p>Ethanol produced for use as a blending component is included in the statutory definition of motor vehicle fuel and is taxed like gasoline. Effective July 1, 2013, the tax rate is \$0.263/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.</p> | <p>B100 is included in the statutory definition of diesel fuel and is taxed like diesel. Effective July 1, 2013, the rate is \$0.263/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.</p> |

**Section 11-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)  |                                      |
| <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)  |                                      |
| <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.

# STATE OF NEVADA

## Section 1-Contact Information

**Agency:** Nevada Dept. of Motor Vehicles-Motor Carrier Division

**Name:** Carmen Shipman

**Street Address:** 555 Wright Way

**City, State Zip Code:** Carson City, NV 89711

**Phone Number:** (775) 684-4610

**Fax Number:** (775) 684-4619

**E-mail Address:** cshipman@dmv.nv.gov

## Section 2-Statutes and Rules

**Please give reference to your Statutes and Rules:** Nevada Revised Statutes Chapters 365 and 366. County taxes are covered by NRS 373.

## 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-State Tax Rates

**Gasoline:** \$0.23 per gallon

**Diesel:** \$0.27 per gallon

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

**Jet Fuel:** \$0.01 per gallon

Counties are able to enact county option taxes.

### **Section 5-Rate Updates**

Please list any rate updates for your state: The 2013 Legislative Session did not pass any rate increases.

### **Section 6-State Collection Allowance**

All licensed companies are allowed a 2% collection allowance for timely filing.

### **Section 7-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 8-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 \$0.22 per gallon, and

compressed natural gas (CNG) used to operate a motor vehicle is taxed at a rate of \$0.21 per gallon. For the purpose of taxing the sale or use of LPG, ~~or CNG~~, 125 cubic feet of ~~CNG~~ or 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. (Reference Nevada Revised Statutes 366.190 and 366.197)

**Section 9-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 10-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 taxes. Subject to Cleanup Fee at time of importation. | Ethanol is treated like gasoline, is taxed upon blending. The tax rate is \$0.23/gallon. Subject to Cleanup and <a href="#">Inspection Fees at time of importation</a> . County taxes also apply. Can be sold tax free to other distributors. |

**Section 11-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>126.67 cubic feet or 5.660 pounds of natural gas shall be deemed to equal 1 gallon of special fuel</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>                      |                   | <b>Not Applicable</b>   |
| <b>LNG (Liquefied Natural Gas)</b>   |                   | <b>Not Applicable</b>   |
| <b>LPG (Liquefied Petroleum Gas)</b> |                   | <b>125 cubic feet of LPG shall be deemed to equal 1 gallon of special fuel</b>                            |
| <b>Methanol or “M85”</b>             |                   | <b>Not Applicable</b>   |
| <b>Other</b>                         |                   | <b>Not Applicable</b>   |

# 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-d  
<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-State Tax Rates**

**Road Toll and Environmental Fees (Per Gallon)**

| <b>Product Type<br/>Law<br/>Reference&gt;&gt;&gt;</b> | <b>Road<br/>Toll<br/><u>RSA</u><br/><u>260:32</u></b> | <b>Airway<br/>Tolls<br/><u>RSA</u><br/><u>422:34</u></b> | <b>ODD<br/><u>RSA</u><br/><u>146-D</u></b> | <b>OPC<br/><u>RSA</u><br/><u>146-A</u></b> | <b>Auto<br/>Oil<br/><u>RSA</u><br/><u>147-<br/>B:12</u></b> | <b>Motor<br/>Oil<br/><u>RSA</u><br/><u>146-F</u></b> | <b>Fuel<br/>Oil<br/><u>RSA</u><br/><u>146-E</u></b> | <b>Total<br/>Toll &amp;<br/>Fees</b> |
|---|---|--|--|--|---|--|---|--------------------------------------|
| <b>Gasoline</b>                                       | \$0.18  |  | \$0.015                                    | \$0.00125                                  |   |  |   | \$0.19625                            |
| <b>Special Fuel -<br/>Undyed</b>                      | \$0.18  |  | \$0.015                                    | \$0.00125                                  |   |  |   | \$0.19625                            |
| <b>Special Fuel -<br/>Dyed</b>                        |   |  | \$0.015                                    | \$0.00125                                  |   |  |   | \$0.01625                            |
| <b>Biodiesel *</b>                                    | \$0.18  |  | \$0.015                                    | \$0.00125                                  |   |  |   | \$0.19625                            |
| <b>Aviation Gas</b>                                   |   | \$0.04   | \$0.015                                    | \$0.00125                                  |   |  |   | \$0.05625                            |
| <b>Jet Fuel - Part<br/>121</b>                        |   | \$0.005  |  | \$0.00125                                  |   |  |   | \$0.00625                            |
| <b>Jet Fuel -<br/>Private</b>                         |   | \$0.02   |  | \$0.00125                                  |   |  |   | \$0.02125                            |
| <b>Heating Oils</b>                                   |   |  |  | \$0.00125                                  |   |  | \$0.0125  | \$0.01375                            |
| <b>Motor Oils</b>                                     |   |  |  | \$0.00125                                  | \$0.02  | \$0.04   |   | \$0.06125                            |

*\* B99 up to B100 are not subject to environmental fees; blends below B99 are.*

### **Section 5-Rate Updates**

**Please list any rate updates for your state:** Effective July 1, 2013 the Fuel Oil Discharge Fee increased to \$0.0125 per gallon

### **Section 6-State Collection Allowance**

None

### **Section 7-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 8-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 9-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              | Subject to the Oil Discharge Fee and the Oil Pollution Fee | \$0.18/gallon  | Ethanol is taxable           | Subject to the Oil Discharge Fee and the Oil Pollution Fee |

**Section 10-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. Sales to licensed distributors are tax free. Dyed B100 is not reportable. | Ethanol is treated like gasoline. The tax rate is \$0.18/gallon. Can be sold tax free to other registered distributors. |

**Section 11-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>                |

# **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.state.nj.us

## **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:** .105 plus .04 pgrt

**Diesel:** .135 plus .04 pgrt

**Aviation Fuel:** .02 plus .04 pgrt

**Jet Fuel:** .02 plus .04 pgrt

## **Section 5-Rate Updates**

**Please list any rate updates for your state:** No change in rates

## **Section 6-State Collection Allowance**

None

## **Section 7-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 not 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 8-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 9-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 10-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 11-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>                |

# STATE OF NEW MEXICO

## Section 1-Contact Information

**Agency:** New Mexico Taxation & Revenue Department

**Name:** Leslie Montgomery

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**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-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 5-Rate Updates**

**Please list any rate updates for your state:** N/A

### **Section 6-State Collection Allowance**

N/A

### **Section 7-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 8-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](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**

The Alternative Fuel Tax Act of 1995 was established to encourage the use of alternative fuel for the propulsion of motor vehicles, thereby increasing the market for supplies of New Mexico natural gas and reducing harmful environmental emissions. The Act provides for fair taxation of alternative fuels. The excise tax imposed on alternative fuel distributed in New Mexico is \$0.12 per gallon. Alternative fuel purchased for distribution is not subject to the alternative fuel excise tax at the time of purchase or acquisition, but the tax will be due on any alternative fuel at the time it is dispensed or delivered into the tank of a motor vehicle that is operated on the highways of the state. Owners of alternative fuel vehicles with a Gross Vehicle Weight Rating (GVWR) not exceeding 54,000 pounds (lbs.) may pay an annual tax in lieu of the per gallon tax, according to the schedule below. Alternative fuel distributed by or used, in accordance with the Act, for U.S. government, state government, or an Indian nation, tribe or pueblo purposes, is exempt from the excise tax. Alternative fuel distributors must be licensed by the state.

| <b>GVWR</b>           | <b>Annual Tax</b> |
|-----------------------|-------------------|
| 0 to 6,000 lbs.       | \$60              |
| 6,001 to 16,000 lbs.  | \$100             |
| 16,001 to 26,000 lbs. | \$300             |
| 26,001 to 40,000 lbs. | \$700             |
| 40,001 to 54,000 lbs. | \$1,100           |

**Section 9-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>                                   |
|---------------|------------------------------|---------------------------------------|----------------|---------------------------------|---|
| \$0.21/gallon | B100 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 10-State Taxes Applicable to Imports of Ethanol and Biodiesel**

| <b>Biodiesel</b>  | <b>Ethanol</b>  |
|---|---|
| B100 is taxed as a motor fuel at \$0.21/gallon and the Petroleum Products Loading Fee of \$.01875/gallon. Position 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 11-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>                |

# STATE OF NEW YORK

## Section 1-Contact Information

**Agency:** New York State Tax Department

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**Phone Number:** 518-530-4578

**Fax Number:** 518-435-8479

**E-mail Address:** William.Casey@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-State Tax Rates

**Gasoline:** rates all per gallon: 8 cent excise + 18.6 cent petroleum business tax + 8 cent fixed State sales tax

**Diesel:** rates all per gallon: 8 cent excise + 16.85 cent petroleum business tax + 8 cent fixed State sales tax

**Aviation Fuel:** 7.4 cents per gallon

**Jet Fuel:** 7.4 cents per gallon

## **Section 5-Rate Updates**

**Please list any rate updates for your state:** None

## **Section 6-State Collection Allowance**

None

## **Section 7-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?**

**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 8-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, 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) and Fueling Infrastructure Funding**

The New York Truck – Voucher Incentive Program, administered by the New York State Energy Research and Development Authority (NYSERDA), awards funds to truck dealers that sell electric trucks to private companies, municipalities and not-for-profits in 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 competitive basis for up to 80% of the incremental cost for purchasing new or converting medium- and heavy-duty NGVs (dedicated and bi-fuel), EVs, or hybrid electric vehicles. Eligible projects may also include installation diesel emission control devices.

### **Alternative Fuel Vehicle (AFV) and Infrastructure Technical Assistance**

The New York State Energy Research and Development Authority's (NYSERDA) Flexible Technical (Flex-Tech) Assistance Program provides assistance to fleet managers who want to evaluate the feasibility and cost of adding AFVs and fueling facilities to their operations. Low-cost training for vehicle mechanics is available through certified institutions.

### **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/multitax/m13\\_5c\\_3i.pdf](http://www.tax.ny.gov/pdf/memos/multitax/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 (ethanol blend that meets ASTM spec. D5798) , 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, 2014.

### **Biofuel Fueling Infrastructure Funding**

The objective of the Biofuel Station Initiative Program (Program), administered by the New York State Energy Research and Development Authority (NYSERDA), is to increase the number of retail fueling stations offering E85 and biodiesel blends in the state. The program provides a reimbursement of up to 50% of the cost of new installations of biofuel dispensing equipment, storage tanks, and associated piping equipment, not to exceed \$50,000 per site. Applications are accepted from owners and operators of public access retail fueling stations in the state. Funding is limited, and the Program does not cover the cost of facility permitting or engineering. Cost-shared technical assistance is also available for the following: technical review of design and construction specifications for the biofuel equipment; analysis of existing and proposed equipment; preparation and submission of requests for biofuel specific permits and waivers to local and state code officials; and training of facility staff.

The program also provides grant incentives of 50% up to \$150,000 to petroleum terminals in New York to make the necessary facility upgrades to store, blend and sell, biofuels to retail gas stations and fleets in New York.

### **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 Steven Carr

[scarr13nc@msn.com](mailto:scarr13nc@msn.com)

**Boundaries:**Counties: Erie, Niagara; City of Buffalo  
<http://www.cleancommunitiesofwny.org/>

**Genesee Region (Rochester)**

**Coordinator:**David Keefe

**Phone:**585-301-2433

dkeefe@grec.us

**Boundaries:**Counties: Genesee, Livingston, Monroe, Ontario, Orleans, Wayne; City of Rochester

<http://www.grec.us/>

**Central New York (Syracuse)**

**Coordinator:**Barry Carr

**Phone:**315-299-2863

bcarr1@twcnny.rr.com

**Coordinator:**Joseph V. Barry

**Phone:**315-498-2548

barryj@sunyocc.edu

**Boundaries:**Counties: Cayuga, Madison, Onondaga, Oswego; City of Syracuse

**Capital District (Albany)**

**Coordinator:** Deborah Stacey

**Phone:**518-458-2161

dstacey@cdtempo.org

**Boundaries:**Counties: Albany, Fulton, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren; City of Albany

<http://www.cdtempo.org/cdcc/cdcc.htm>

**New York City and Lower Hudson Valley Clean Communities**

**Coordinator:**Christina Ficicchia

**Phone:**212-487-4214

director@nyclhvcc.org

**Boundaries:**Brooklyn, Bronx, Manhattan, Queens, Staten Island; Counties: Putnam, Rockland, Westchester

**Greater Long Island**

**Coordinator:**Rita D. Ebert

**Phone:**631-969-3700 x25

rebert@lift.org

**Boundaries:**Counties: Nassau, Suffolk  
<http://www.gliccc.org/>

**Section 9-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>   |
|-----------------|---|---|----------------|------------------------------|---|
| \$0.3885/gallon | B100 is taxable when used in a motor vehicle. | Subject to the Petroleum Business Tax and Prepaid Sales Tax in Region 1 or 2. | \$0.406/gallon | Ethanol is taxable           | Subject to the excise tax Petroleum Business Tax, Prepaid Sales Tax in Region 1 or 2 and the Petroleum Testing Fee. |

**Section 10-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 \$0.3885/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 \$0.406/gallon. The full tax rate applies on import and should be charged down the chain. The product E-85 is exempt from all NYS Taxes when delivered to retail filling station. |

**Section 11-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>                |

# STATE OF NORTH CAROLINA

## Section 1-Contact Information

**Agency:** North Carolina Department of Revenue

**Name:** John D. Panza

**Street Address:** 501 North Wilmington Street

**City, State Zip Code:** Raleigh, NC 27604

**Phone Number:** (919) (919) 814-1103

**Fax Number:** (919) 715-8113

**E-mail Address:** [john.panza@dornc.com](mailto:john.panza@dornc.com)

## Section 2-Statutes and Rules

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

NC 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-State Tax Rates

**Gasoline:** 37.6 cents per gallon excise tax and .0025 cents per gallon inspection tax

**Diesel:** 37.6 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 5-Rate Updates**

**Please list any rate updates for your state:** The excise tax rate is subject to change every six months on January 1 and July 1.

### **Section 6-State Collection Allowance**

Licensed distributors receive a 1% discount allowance for paying taxes to the suppliers on time

Licensed suppliers receive

- 1% discount allowance for paying taxes to the Department on time
- Administrative discount up to \$8,000.00 per month on sales to licensed distributors

### **Section 7-State Diversion Requirements**

**Diversion Required:** Yes

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

G. S. 105-449.115

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

NC currently uses Trac III system through FTA.

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

All taxable products

#### **Diversion Requirements**

Purchaser is liable for any tax due as the result of a diversion from the state represented on the bill of lading. A confirmation 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)**

Purchaser is responsible for any refund due as the result of a diversion to a state other than NC.

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

No credit/rebill. Supplier should report the sale as it occurred based on the bill of lading. The distributor would file the 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/rebill. Supplier should report the sale as it occurred based on the bill of lading. The distributor would file the 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 8-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**

**Alternative Fuel Vehicle (AFV) and Hybrid Electric Vehicle (HEV) Grants**

[Clean Fuel Advanced Technology \(CFAT\)](#) is a three-year project focused on reducing transportation related emissions in North Carolina's non-attainment and maintenance counties for National Ambient Air Quality Standards. Projects that are adjacent to areas may also be eligible if emissions will be reduced in the eligible counties. The \$2 million project is funded by the North Carolina Department of Transportation, State Energy Office, and the Division of Air Quality, and covers three broad areas: education and outreach; project funding; and recognition of exemplary activities. Funding for up to 80% of project costs is available for AFVs, fueling infrastructure, idle reduction technologies, heavy-duty HEVs, heavy-duty buses, and diesel retrofits.

**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 Statutes 143B-437.4](#))

**Biodiesel Production Tax Credit**

A biodiesel provider that produces at least 100,000 gallons of biodiesel during the taxable year is allowed a credit equal to the per gallon excise tax the producer paid in accordance with the motor fuel excise tax rate. The credit does not apply to tax paid on the diesel portion of the biodiesel blends and the credit may not exceed \$500,000. This credit is effective for taxable years beginning on January 1, 2008, and is in effect until January 1, 2014. (Reference [North Carolina General Statutes 105-129.16F](#))

### **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, 2014. 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, 2014.

(Reference [North Carolina General Statutes](#) 105-129.16D)

### **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 Statutes](#) 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 to produce 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. (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 Statutes](#) 105-129.16D)

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

Grants from the Department of Environment and Natural Resources Division of Air Quality are available for the incremental cost of purchasing Original Equipment

Manufacturer AFVs, vehicle conversions, implementing idle reduction programs, and constructing or installing public alternative fuel fueling facilities. More than \$500,000 in funding is available.

**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 EPart 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 EPart 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 EPart 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)

**School Bus Emission Reduction Grants**

A pilot program will be established within the North Carolina Department of Environment and Natural Resources to provide grants to retrofit school buses in order to reduce diesel emissions. The federal Safe Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU), specifically for diesel school bus retrofits or repowers that reduce particulate matter emissions, clarified eligibility for diesel matter retrofit projects and establishes these projects as a priority for funding, allowing North Carolina to maximize eighty percent (80%) federal matching dollars available through the program. Any repowering or replacement of existing diesel engines in school buses must meet the U.S. Environmental Protection Agency 2007 Heavy Duty Highway Diesel Standards. (Reference [House Bill](#) 1912, 2007)

**Section 9-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>       |
|----------------|---|-------------------------------|----------------|--|-------------------------------|
| \$.0376/gallon | B100 is taxable upon blend or use for a highway purpose | Subject to the Inspection Fee | \$.0376/gallon | Ethanol is taxable at the terminal rack or upon importation into the State | Subject to the Inspection Fee |

**Section 10-State Taxes Applicable to Imports of Ethanol and Biodiesel**

| <b>Biodiesel</b> |   |                               | <b>Ethanol</b> |  |                               |
|------------------|---|-------------------------------|----------------|--|-------------------------------|
| \$.0376/gallon   | B100 is taxable upon blend or use for a highway purpose | Subject to the Inspection Fee | \$.0376/gallon | Ethanol is taxable upon importation into the state | Subject to the Inspection Fee |

**Section 11-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; 105-449.130  | <b>5.66 lbs./gallon or 126.67 cf/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; 105-449.130  | <b>.592 lbs./gallon</b>                     |
| <b>LNG (Liquefied Natural Gas)</b>   | Yes; 105-449.130  |   |
| <b>LPG (Liquefied Petroleum Gas)</b> | Yes; 105-449.130  | <b>4.22 lbs./gallon (propane)</b>           |
| <b>Methanol or “M85”</b>             | Yes               | <b>Not Applicable</b>                       |

# 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-State Tax Rates

**Gasoline:** \$.23/gallon (since 7/1/05) (Includes Ethanol blend & 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 5-Rate Updates**

**Please list any rate updates for your state:** None

## **Section 6-State Collection Allowance**

Special Fuels & Aviation Fuel - 1% of tax due max of \$300.

Motor Vehicle Fuel – 2% of tax due – No maximum

## **Section 7-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)**

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

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

**Any Additional Comments?**

## **Section 8-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 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. Special fuel used for heating purposes is exempt. (Reference [House Bill 1348](#), 2007, and [North Dakota Century Code 57-43.2-02](#) and [57-43.2-03](#))

## **Section 9-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<br>\$.00025/Gal | \$0.23/gallon  | Ethanol is taxable           | Subject to the Inspection Fee<br>\$.00025/Gal |

## **Section 10-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 on-road use and \$0.04/gallon for 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 11-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 equivalent gallon.   | <b>Not Applicable</b>   |
| <b>LNG (Liquefied Natural Gas)</b>   | The tax rate is \$0.23 per gallon.  |   |
| <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>   |

# STATE OF OHIO

## Section 1-Contact Information

**Agency:** Ohio Department of Taxation  
Excise and Energy Division

**Name:** Patty Griffith

**Street Address:** 4485 Northland Ridge Blvd

**City, State Zip Code;** Columbus, OH 43229

**Phone Number:** 614.644-5847

**Fax Number:** 614.752.2496

**E-mail Address:** Patricia.Griffith@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-State Tax Rates

**Gasoline:** \$0.28

**Diesel:** \$0.28

**Aviation Fuel:** na

**Jet Fuel:** na

### **Section 5-Rate Updates**

July 1, 2005 changed from \$0.26 to \$0.28 per gallon.

### **Section 6-State Collection Allowance**

Dealer Shrinkage Allowance – 1%

### **Section 7-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 8-Alternative Fuels Incentives and Laws**

Ohio's incentives can be found at the websites listed below.

**Section 9-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 10-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 11-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>Not Applicable</b>                |
| <b>LNG (Liquefied Natural Gas)</b>   | \$0.28              |                                      |
| <b>LPG (Liquefied Petroleum Gas)</b> | \$0.28              |                                      |
| <b>Methanol or “M85”</b>             | \$0.28              | <b>Not Applicable</b>                |
| <b>Other</b>                         |                     | <b>Not Applicable</b>                |

# 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@oktax.state.ok.us

## 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:** Terminal Rack

**Diesel:** Terminal Rack

**Aviation Fuel:** Terminal Rack

**Jet Fuel:** Terminal Rack

## Section 4-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 5-Rate Updates**

**Please list any rate updates for your state:** N/A

### **Section 6-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.

§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 7-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?** 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 8-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, 2015, 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)

#### **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)

#### **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 9-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 10-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 11-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 |
| CNG (Compressed Natural Gas)  | \$0.05 per gasoline gallons equivalent (gge).  | cubic foot   | 900       | 126.67 cu. ft.    |
| E85                           | The tax rate is \$0.16/gallon.   | <b>Not Applicable</b>  |           |                   |
| Electric Vehicles/Electricity | Not addressed in our Statutes  | <b>Not Applicable</b>  |           |                   |
| Gasoline Hybrid Vehicles      | Taxes only the gasoline that is placed in the hybrid vehicle \$0.16 per gallon   | <b>Not Applicable</b>  |           |                   |
| Hydrogen                      | Not addressed in our Statutes  | <b>Not Applicable</b>  |           |                   |
| LNG (Liquefied Natural Gas)   | \$0.05 per diesel gallons equivalent (dge).  | <b>Six and six one hundredths (6.06) pounds of liquefied natural gas</b> |           |                   |
| LPG (Liquefied Petroleum Gas) | 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>  |           |                   |
| Methanol or “M85”             | 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>  |           |                   |
| Other                         | Not Applicable   | <b>Not Applicable</b>  |           |                   |

# 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

(<http://www.leg.state.or.us/ors/319.html>)

Oregon Administrative Rules Divisions 170, 176,174

(<http://www.oregon.gov/ODOT/CS/FTG/adminrules.shtml>)

## 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-State Tax Rates

**Gasoline:** \$0.30/gallon

**Diesel:** \$0.30/gallon

**Aviation Fuel:** \$0.09/gallon

**Jet Fuel:** \$0.01/gallon

### **Section 5-Rate Updates**

**Please list any rate updates for your state:** Gasoline and diesel rate increase of \$0.06/gallon was effective on January 1, 2011 and reflected above.

### **Section 6-State Collection Allowance**

### **Section 7-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)**  
Customer claims 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?**

...talks about shippers and shipper's agent being responsible for taxes and that Supplier and Licensed Distributor can rely on shipper and shipper's agent for correct destination....

### **Section 8-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

### **Biofuels Use Tax Credit**

A state resident who purchases gasoline blended with 85% ethanol (E85) or biodiesel blends of at least 99% (B99) for use in an alternative fuel vehicle (AFV) qualifies for an income tax credit of \$0.50 per gallon, up to \$200 for each AFV that is registered in Oregon and owned or leased by the resident. For the purpose of this tax credit, an AFV is a motor vehicle that can operate using E85 or B99. This incentive is applicable for tax years beginning after January 1, 2007, and before January 1, 2013. (Reference [House Bill 2210, 2007](#), and [Oregon Revised Statutes 315](#))

### **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 production facilities are eligible for a [Business Energy Tax Credit \(BETC\)](#) of up to 50% of the certified cost of constructing the facility, up to \$20 million per project. Only facilities constructed or installed after January 1, 2007, are eligible, and certifications will not be issued after December 31, 2015. A BETC is also available for 25% of the costs incurred for constructing or installing alternative fuel vehicle fueling infrastructure, up to \$750 per station. For production facilities and fueling infrastructure, there is an option that allows a project owner to transfer the BETC project eligibility to a pass-through partner for a lump-sum cash payment. 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 3201, 2007](#), and [Oregon Revised Statutes 317.115, 469.160 to 469.180, and 469.185 to 469.225](#))

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

The Oregon Department of Energy offers two income tax credits for AFVs and HEVs, one for residents and one for business owners. Oregon residents are eligible for a [Residential Energy Tax Credit](#), which provides credits of up to \$1,500 toward the purchase of qualified AFVs and HEVs; currently, flexible-fuel vehicles are not eligible. A credit of up to \$750 is also available for the cost of converting vehicles to operate on an alternative fuel.

Oregon business owners who invest in new HEVs for business use are eligible for a [Business Energy Tax Credit](#) of up to 35% of the incremental cost of the HEV. Business owners without an Oregon tax liability, non-profit organizations, and public entities may choose to transfer their tax credit eligibility to a business or individual with an Oregon tax liability in exchange for a cash payment equal to the pass-through rate at the time of application. Business owners with a tax liability may also choose to transfer their tax credit.

(Reference [Oregon Revised Statutes](#) 316.116, 469.160 to 469.180, and 801.375)

**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)

**Idle Reduction Incentives**

The Everybody Wins program was initiated in 2004 by the Lane Regional Air Protection Agency to implement a low-cost leasing program for idle reduction equipment on Oregon's I-5 corridor. Cascade Sierra Solutions (CSS) was formed in 2006 to expand the program to offer a complete corridor approach and to expand the program to include all known technologies that save fuel and reduce diesel emissions. CSS offers two financing options for upgrading trucks with fuel saving technology. Any fuel saving technology that falls within the U.S. Environmental Protection Agency's SmartWay Transport Carrier Strategies and is approved by the CSS Technical Advisory Team is eligible for financing. Oregon base-plated trucks may be qualified for the Everybody Wins lease program, which provides below-market interest rates with 60-month repayment terms.

**Portland Biofuels Production and Distribution Grants**

Through a competitive grant process, the Biofuels Investment Fund (Fund) supports the development of production, storage, blending, and distribution infrastructure for B20 or higher biodiesel blends, and E85 ethanol blends. The Fund also supports non-infrastructure related projects that strongly support Portland's biofuels priorities, including proposals that further the development of Oregon-grown feedstock supply chains.

**Portland Biofuels Fueling Infrastructure Grants**

The Retail and Fleet Biofuels Infrastructure Grant provides incentives of up to \$10,000 to install or convert fueling equipment at retail gasoline stations and fleet fueling sites to B20 or higher biodiesel blends and E85 ethanol blends. Incentives are available on a first-come, first-served basis to projects that meet the grant's eligibility guidelines.

**Section 9-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              | Subject to the Load Fee | \$0.30/gallon  | Not taxable                  | None                    |

**Section 10-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 \$0.30/gallon. | n/a            |

**Section 11-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>                |

# STATE OF PENNSYLVANIA

## Section 1- Contact Information

**Agency:** Department of Revenue- Bureau of Motor and Alternative Fuel Taxes

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Nicholas Banting, Research Analyst Manager

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## Section 2- Statutes and Rules

*Pennsylvania Consolidated Statute Title 75 (Vehicle Code)*

Chapter 90 – Liquid Fuels and Fuels Tax

Chapter 94 – Liquid Fuels and Fuels Tax Enforcement

### 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 tax rate is 153.5 mills for liquid fuels and 208.5 mills for fuels. 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.

### Liquid Fuels & Fuels Tax

A tax of 12 cents per gallon is imposed on all liquid fuels (primarily gasoline) and fuels (diesel fuel and all other special fuels except dyed diesel fuel, liquid fuels and alternative fuels) used or sold and delivered by distributors in Pennsylvania. The tax is imposed on the ultimate consumer, but the distributor is liable for collecting and remitting the tax. Aviation gasoline and jet fuel are also taxed under the liquid fuels and fuels tax. However, separate tax rates are set for these fuels. Exempt from the tax are fuels sold and delivered to the U.S. government; the commonwealth and any of its political subdivisions; volunteer fire companies; volunteer ambulance services and volunteer rescue squads; second class county port authorities; and nonpublic, nonprofit schools (K-12). In addition to these exemptions, reimbursements are made for certain agricultural purposes and for fuel consumed in truck mounted refrigerator units. Payments and reports are due on or before the 20th day of the month following the month of tax collection.

### **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- State Tax Rates**

|                       |                   |
|-----------------------|-------------------|
| <b>Gasoline:</b>      | \$31.2 cents /gal |
| <b>Diesel:</b>        | \$38.1 cents/gal  |
| <b>Aviation Fuel:</b> | \$5.9 cents/gal   |
| <b>Jet Fuel:</b>      | \$2.0 cents /gal  |

### **Section 5-Rate Updates**

None.

### **Section 6- 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 7-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**

Must be licensed. No need to credit/rebill.

**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 8-Alternative Fuels Incentives and Laws**

Pennsylvania is the proud home of the Pittsburgh Region ([www.cleancities-pittsburgh.org](http://www.cleancities-pittsburgh.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. Another grant program, the Pennsylvania Energy Harvest Grant, seeks to deploy cleaner energy sources by providing funding for renewable energy technologies, such as biomass energy projects. For more information, see the [Department of Environmental Protection Grant and Loan Programs](#) Website.

**Alternative Fuel and Idle Reduction Grants**

The Small Business Advantage Grant Program provides 50% matching grants, up to a maximum of \$7,500 to enable a Pennsylvania small business to adopt or acquire energy efficient or pollution prevention equipment or processes. In the past, Pennsylvania trucking companies and independent truckers have used the funding to purchase auxiliary power units. Funding is contingent upon annual legislative appropriations. The grant program funding limit has been reached, and new applications are not currently being accepted. If funds become available, the program is expected to reopen in July 2008.

**Alternative Fuel Vehicle (AFV), Hybrid Electric Vehicle (HEV), and Fueling Infrastructure Funding**

The Alternative Fuels Incentive Grant (AFIG) Fund provides grant funding to school and vocational school districts, municipal authorities, counties, cities, boroughs, incorporated towns, county institution districts, nonprofit entities, corporations, limited liability

companies, or partnerships incorporated or registered in the Commonwealth of Pennsylvania. Projects that result in product commercialization and the expansion of Pennsylvania companies will be favored in the selection process. The AFIG Program is administered by the Pennsylvania Department of Environmental Protection and provides financial assistance and information on alternative fuels, AFVs, HEVs, anti-idling technologies that use alternatives to diesel fuel for heavy-duty trucks, and advanced vehicle technology research, development, and demonstration. The emphasis of the program varies according to the funding years. For example, AFIG has recently focused on biofuels (ethanol and biodiesel) production and use. (Reference [Pennsylvania Code Chapter 311](#) and [Pennsylvania General Acts 178, 2004](#))

**Idle Reduction Incentives**

The Mid-Atlantic Regional Small Business Anti-Idling Initiative provides funding to help independent truckers and small trucking companies purchase anti-idling technology. Participants must qualify as small businesses (with a fleet size of less than 50 trucks) and be located in Pennsylvania or Delaware. Program financing is available to help owners purchase and install auxiliary power units (APUs) that provide both heating and cooling; the maximum amount of funding available per applicant is \$3,000. Disbursements will be made to awardees after the following tasks are completed: 1) submission of baseline data and installation of APU, 2) submission of a six month data report, and 3) submission of a 12 month data report. The initiative is funded by a grant from the U.S. Environmental Protection Agency to the Mid-Atlantic Regional Air Management Association. For more information see the [Mid-Atlantic Regional Small Business Anti-Idling Initiative](#) Web site.

**Idle Reduction Incentives**

The Small Business Pollution Prevention Assistance Account Loan Program provides low interest loans to small businesses undertaking projects in Pennsylvania that reduce waste, pollution or energy use. Loans are available for funding up to 75% of total eligible project cost, up to a maximum of \$100,000. The loan interest rate is a 2% fixed rate and has a maximum term of 10 years. Loans can be used for projects such as the purchase of truck auxiliary power units.

**Section 9-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> |
|----------------|------------------------------|--|----------------|------------------------------|-------------------------|
| \$0.381/gallon | B100 is taxable              | Rate includes the PA Oil Franchise Tax | \$0.312/gallon | Not taxable                  | Not taxable             |

**Section 10-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 \$0.381/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 is also not reportable. Once ethanol is blended with gasoline it becomes taxable under the PA liquid fuels tax rate of \$0.312/gallon. E-85 is taxable at the Alternative Fuel Tax rate of \$ 21.9 cents per gallon. E-85 becomes taxable when the fuel is placed into a tank of a licensed vehicle.</p> |

**Section 11-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 2013, the tax rates for alternative fuels are as follows:

| <b>Alternative Fuel</b>      | <b>Rate of Conversion (BTU/gal of alternative fuel)</b> | <b>Amount Equivalent to One Gallon of Gasoline @ 114,500 BTU per gallon</b> | <b>Tax Rate per Gallon of Alternative Fuel</b> |
|------------------------------|---|---|--|
| Ethanol                      | 76,400  | 1.499   | \$0.208  |
| Methanol                     | 56,560  | 2.024   | \$0.154  |
| Propane/LPG                  | 83,500  | 1.371   | \$0.228  |
| E-85                         | 80,460  | 1.423   | \$0.219  |
| M-85                         | 65,350  | 1.752   | \$0.178  |
| Compressed Natural Gas (CNG) | 29,000 @ 3,000 PSI                                      | 3.948   | \$0.079  |
| Liquefied Natural Gas (LNG)  | 66,640  | 1.718   | \$0.182  |
| Electricity                  | 3,412 BTU / KWH   | 33.558 KWH  | 0.0093 / KWH                                   |

# STATE OF RHODE ISLAND

## Section 1-Contact Information

**Agency:** Rhode Island Department of Revenue, Division of Taxation

**Name:** Scott W. Lewis

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**Phone Number:** 401-574-8892

**Fax Number:** 401-574-8914

**E-mail Address:** scott.lewis@tax.ri.gov

## 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-State Tax Rates

**Gasoline:** .32¢ Per Gallon

**Diesel:** .32¢ Per Gallon

**Aviation Fuel:** Exempt

**Jet Fuel:** Exempt

## **Section 5-Rate Updates**

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

## **Section 6-State Collection Allowance**

None

## **Section 7-State Diversion Requirements**

**Diversion Required:** No

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

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

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

### **Diversion Requirements.**

Distributor is responsible for payment of the tax. If a distributor allows a diversion to occur, they are responsible for crediting or billing the customer to correct / adjust the tax due.

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

**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?** No

**Any Additional Comments?**

## **Section 8-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 in process. The University of Rhode Island along with National Grid, Ocean State Clean Cities Coalition, RI Division of Planning, and Project Get Ready RI, are in the process of establishing 50 charging stations. The project is called RI ~~Top 50~~—there are 12 stations currently operating.

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

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.

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

A taxpayer entitled to the federal qualified EV tax credit is also entitled to a state tax credit equal to 25% of the federal qualified EV tax credit. (Reference [Rhode Island Code 44-30-2.6](#))

### **Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Tax Credit**

The Alternative Fueled Vehicle and Filling Station Tax Credit entitles taxpayers to a tax credit equal to 50% of the capital, labor, and equipment costs associated with the construction of, or improvement to, any alternative fuel refueling or recharging station providing domestically produced alternative fuel or facilities for recharging electric vehicles. For the purpose of this tax credit, alternative fuels are defined according to the Energy Policy Act of 1992 (Public Law 102-486) and include ethanol fuel and biodiesel produced from feedstocks including virgin vegetable oil, yellow grease, waste vegetable oil, and animal fats.. Taxpayers are also entitled to a tax credit equal to 50% of the incremental cost of purchasing an AFV or the capital, labor, and equipment cost of converting a motor vehicle to operate on an alternative fuel. Taxpayers may carry forward any unused credits or any unused portion of the credit for up to five years. This incentive is effective until January 1, 2008. (Reference [Rhode Island Code 44-39.2-2](#))

### **Alternative Fuel Tax Deduction**

Corporations that sell alternative fuels are allowed a deduction from the gross earnings from sales reported in the corporations' tax returns. The deduction is equal to the total of gross earnings from the sale of alternative fuels when used as motor fuel to operate motor vehicles and when separately metered. This incentive is effective until December 31, 2007. (Reference [Rhode Island Code 44-13-5](#))

### **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 9-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              |                         | \$0.32/gallon  | Ethanol is taxable           |                         |

**Section 10-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 \$0.32/gallon. Sales between licensed Distributors are tax free. | Ethanol is taxed like gasoline. The tax rate is \$0.32/gallon. Sales to licensed Distributors are tax free. |

**Section 11-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>                |

**STATE OF SOUTH CAROLINA**  
*(Last updated 2012)*

**Section 1-Contact Information**

**Agency:** South Carolina Dept of Revenue

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**Fax Number:** 803-898-5825

**E-mail Address:** playerc@sctax.org

**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-State Tax Rates**

**Gasoline:** \$. 16/ gallon motor fuel user fee (motor fuel tax) ; \$.005/gallon environmental impact fee; \$.0025/gallon inspection fee

**Diesel:** \$.16/gallon motor fuel user fee (motor fuel tax); \$.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 5-Rate Updates**

**Please list any rate updates for your state:** n/a

### **Section 6-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 7-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 8-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**

**Plug-In Hybrid Electric Vehicle (PHEV) Tax Credit**

(amended by 2012 legislation) 2012 Act No. 161 (H. 3059) amended S.C. Code Ann. § 12-6-3376 so that the credit for purchasing or leasing a new qualified plug-in hybrid

vehicle, which had expired for tax years beginning after 2010, was renewed for tax years beginning in 2012 through 2016 with respect to sales or leases beginning on or after July 1, 2012. Only vehicles certified by the manufacturer, or the domestic distributor in the case of a foreign manufacturer, are eligible for the credit. The base credit is \$667 for a battery capacity of 4 kilowatt hours, with an additional \$111 for each additional kilowatt hour, not to exceed \$2,000. Unused credit can be carried forward for 5 years. The maximum credit in a calendar year for all taxpayers is \$200,000, available on a first-come, first served basis. **TC-48A** is the application form. Approved credits can be claimed on **TC-48**. Manufacturers and domestic distributors may use TC-48C to certify vehicles as qualified plug-in hybrid vehicles. There is also a TC-48C manufacturer's certification form. A list of certified vehicles and the amount of credit that remains available will be available under What's New at [www.sctax.org](http://www.sctax.org).

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

A state income tax credit 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). (Reference [South Carolina Code of Laws](#) §12-6-3377)

#### **Biofuels Production Tax Credit**

A tax credit is available to qualified ethanol and biodiesel producers for taxable years beginning after 2006 and before 2014. Corn-based ethanol and soy-based biodiesel producers are eligible for a tax credit of \$0.20 per gallon of fuel produced. Producers using feedstocks other than corn or soy oil are eligible for \$0.30 per gallon tax credit. An eligible production facility must be operating at a production rate of at least 25% of its name plate design capacity, before denaturing, on or before December 31, 2009. 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, 2014. The credit may only be claimed if the facility maintains an average production rate of at least 25% of its name plate design capacity for at least six months after the first month for which it is eligible to receive the credit. (Reference [South Carolina Code of Laws](#) §12-6-3600)

#### **Biofuels Distribution Infrastructure Tax Credit**

Effective January 1, 2008, taxpayer that constructs, installs, and places into service a qualified commercial facility for distribution or dispensing of renewable fuels in the state is eligible for a tax credit of up to 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. (Reference [Senate Bill](#) 243, 2007, and [South Carolina Code of Laws](#) 12-63-3610)

### **Biofuels Production Facility Tax Credit**

Effective January 1, 2008, a taxpayer that constructs and places into service a commercial facility for the production of renewable fuel is eligible for a tax credit of up to 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. (Reference [Senate Bill 243, 2007](#), and [South Carolina Code of Laws 12-63-3610](#))

### **Alternative Fuel Tax**

All fuels, including alternative fuels and alternative fuel blends are exempt from the state sales and use tax. However, all fuels are subject to a state fuels tax. Alternative fuels include liquefied petroleum gas and compressed 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. (Reference [South Carolina Code of Laws 12-28-110](#) and [12-36-2120](#))

### **Biomass Electricity and Energy Incentive**

Code Section 12-63-20(B) provides the following incentives to producers of electricity and energy generated from biomass resources beginning after June 30, 2008, and ending before July 1, 2018:

1. A payment of 1¢ per kilowatt-hour for electricity produced from biomass resources in a facility not using biomass resources before June 30, 2008, or facilities which produce at least 25% more electricity from biomass resources than the greatest 3 year average before June 30, 2008. This incentive payment is also applicable to electricity from a qualifying facility placed in service and first producing electricity on or after July 1, 2008. The maximum incentive payment is \$100,000 per year per taxpayer for 5 years, but in no case will incentive payments apply after June 30, 2018.
2. A payment of 30¢ per therm for energy produced from biomass resources in a facility not using biomass resources before June 30, 2008, or facilities which utilize at least 25% more energy from biomass resources than the greatest 3 year average fore June 30, 2008. This incentive payment is also applicable to energy from a qualifying facility placed in service and first producing energy on or after July 1, 2008. The maximum incentive payment is \$100,000 per year per taxpayer for 5 years, but in no case will incentive payments apply after June 30, 2018.

For purposes of this incentive, ~~“biomass resource”~~ means wood, wood waste, agricultural waste, animal waste, sewage, landfill gas, and other organic materials, not including fossil fuels.

**Section 9-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 | B100 is taxable              | Impact Fee and Inspection Fee | Fuel grade ethanol is not taxable until blended | Not taxable                  | None                    |

**Section 10-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 \$0.16/gallon for clear and Dyed B100 is exempt from tax. | Ethanol is not taxed until blended. The tax rate is \$0.16/gallon. Blender’s license is required when blending. |

**Section 11-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>                |

# STATE OF SOUTH DAKOTA

## Section 1-Contact Information

**Agency:** Dept of Revenue and Regulation

**Name:** Nancy Peck

**Street Address:** 445 E Capitol Ave

**City, State Zip Code:** Pierre, SD 57501

**Phone Number:** 605-773-3501

**Fax Number:** 605-773-4117

**E-mail Address:** nancy.peck@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:** \$.22 per gallon

**Diesel:** \$.22 per gallon

**Aviation Fuel:** \$.06 per gallon

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

**Ethyl Alcohol:** \$.08 per gallon

**Methyl Alcohol:** \$.08 per gallon

### **Section 5-Rate Updates**

**Please list any rate updates for your state:** N/A

### **Section 6-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 7-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 8-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 9-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 the Inspection Fee | \$0.08/gallon  | Ethanol is taxable           | Subject to the Inspection Fee |

**Section 10-State Taxes Applicable to Imports of Ethanol and Biodiesel**

| <b>Bodiesel</b>  | <b>Ethanol</b>   |
|--|--|
| B100 is included in the statutory definition of special fuel and is taxed like diesel. The rate is \$0.22/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 \$0.08 cents per gallons. If the Ethanol is included in a blend, the gasoline in the blend is taxed at a rate of \$0.22 cents per gallon, and the Alcohol at \$0.08 cents per gallon. The tax is due upon import of the product. Sales to a licensed exporter are tax exempt. |

**Section 11-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>                |

# STATE OF TENNESSEE *(Last updated 2012)*

## **Section 1-Contact Information**

**Agency:** Department of Revenue

**Name:** Ray Grigsby

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**Phone Number:** (615) 532-6914

**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-State Tax Rates**

**Gasoline:** Gasoline Tax of 20 cents per gallon – 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 17 cents per gallon – 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 5-Rate Updates**

**Please list any rate updates for your state:** None

## **Section 6-State Collection Allowance**

Collection Administration Allowance - .1% of the taxes imposed by TCA 67-3-201 and 202.

Tare Allowance – 1.5415% of the taxes imposed by TCA 67-3-201 and 202.

## **Section 7-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 fact of the shipping paper. Customer must pay their own taxes to the respective state if Bill of Lading doesn't say the correct destination.

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

Customer must 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

**Any Additional Comments?**

## **Section 8-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**

### **Biodiesel Infrastructure Grants**

The Tennessee State Energy Office, Department of Economic and Community Development, Energy Division offers grants to county governments for the installation of biodiesel infrastructure, including biodiesel tanks, pumps, and card readers, that can be used to provide biodiesel fuel for county/city owned vehicles including school buses, maintenance vehicles, heavy equipment, or any other vehicle currently powered by diesel fuel. Grant funding will be provided for 50% of total project costs, but not more than \$12,000 may be awarded per individual grant. Grants are limited to one per county and are available through June 2010.

### **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)

### **Provision for Establishing a Biodiesel Incentive**

The Department of Revenue, in consultation with the Department of Economic and Community Development, is authorized to create the Tennessee biodiesel manufacturers' incentive fund, dependent on legislative appropriations. Each eligible manufacturer may receive incentives from the fund for producing up to 10 million gallons of biodiesel annually. Biodiesel is defined as mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats that meet the registration requirements for fuels and fuel additives established by the U.S. Environmental Protection Agency and conform to American Society for Testing and Materials (ASTM) D6751 specifications. (Reference House Bill 1826, 2007, and Tennessee Code 67-3-103 and 67-3-423)

**Section 9-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 Environmental Fee | \$0.20/gallon  | Ethanol is taxable           | Subject to the Special Tax and the Environmental Fee |

**Section 10-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 manufacturer's do not pay the diesel tax if sold to a TN Blender. | Ethanol is treated like gasoline. It is taxed upon 1 <sup>st</sup> receipt at the rate of \$0.20/gallons. |

**Section 11-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>                |

# STATE OF TEXAS

## **Section 1-Contact Information**

**Agency:** Texas Comptroller of Public Accounts

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**E-mail Address:** [david.reed@cpa.state.tx.us](mailto:david.reed@cpa.state.tx.us) / [kirk.davenport@cpa.state.tx.us](mailto:kirk.davenport@cpa.state.tx.us)

## **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://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=5&ti=34&pt=1&ch=3&sch=S&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=34&pt=1&ch=3&sch=S&rl=Y)

Texas Administrative Code

[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=4&ti=34&pt=1&ch=3](http://info.sos.state.tx.us/pls/pub/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:** prepaid decal for Texas plated motor vehicles

**CNG:** at the pump that dispenses CNG into motor vehicles beginning 09/01/2013

**LNG:** at the pump that dispenses LNG into motor vehicles beginning 09/01/2013

### **Section 4-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 for out-of-state plated vehicles, IFTA licensed vehicles, and motor vehicles operated under a Texas licensed Motor Vehicle Dealer's liquefied gas tax decal.

**CNG:** \$0.15 per gasoline gallon equivalent or diesel gallon equivalent

**LNG:** \$0.15 per gasoline gallon equivalent or diesel gallon equivalent

### **Section 5-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 rates for CNG and LNG have been in effect beginning September 1, 2013. Prior to September 1, 2013, CNG and LNG users were required to obtain a prepaid LG decal.

### **Section 6-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 receive who timely pays tax to the supplier or permissive supplier receives 1.75 percent of the 2 percent; meaning the supplier or permissive supplier retains 0.25 percent.

The licensed CNG and/or LNG dealer receives a 1 percent timely filing and payment allowance beginning September 1, 2013.

## **Section 7-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.  
Rule 3.441 (d), Texas Administrative Code.

### **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 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 8-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 ([www.netac.org/cities.htm](http://www.netac.org/cities.htm)), Greater Houston Regional ([www.houston-cleancities.org](http://www.houston-cleancities.org)), and South East Texas Clean Cities Coalitions. 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 [NGV Initiative Grant Program Web site](http://www.glo.state.tx.us/energy/altfuels/index.html).

<http://www.glo.state.tx.us/energy/altfuels/index.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](#) and [San Antonio/Alamo Area](#).

#### **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 [TERP Guidelines for Emissions Reduction Incentive Grants](#). (Reference [Texas Statutes](#), Health & Safety Code, Chapter 386)

#### **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. For complete information on the types of projects and expenses that may be eligible for a grant, refer to the latest [Request for Grant Applications](#) and the [NTRD Guidelines](#). 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)

**Natural Gas Fuel Rates and Alternative Fuel Promotion**

The Texas General Land Office (GLO) makes competitively-priced natural gas available to school districts (and other state and local public entities) for use in natural gas vehicles. The GLO has also established an alternative fuels program to aggressively promote the use of alternative energy sources, especially for those fuels abundant in Texas. The GLO alternative fuels program serves as a liaison between government and industry.

**Alternative Fuel Grant Assistance**

The Texas State Energy Conservation Office researches and assists public and private entities in securing grants to encourage the use of alternative fuels, including conversion of state and local government fleets to operate on compressed natural gas, liquefied petroleum gas, hydrogen, biodiesel, and ethanol, and the use of hybrid electric vehicles.

**Alternative Fuel Research and Development**

The Railroad Commission of Texas (RRC) regulates the safety of the liquefied natural gas (LNG), compressed natural gas (CNG), and liquefied petroleum gas (LPG) industries.

The RRC, through its Alternative Fuels Research and Education Division, promotes the use of LPG and administers grant programs to encourage the purchase of LPG school buses and forklifts.

**Liquefied Petroleum Gas (LPG) Bus and Forklift Rebate**

The Railroad Commission of Texas Alternative Fuels Research & Education Division (AFRED) School Bus Rebate Program applies to school buses (Model Year 2007 or newer) that incorporate an Original Equipment Manufacturer (OEM) low emission vehicle (LEV) certified LPG system. The rebate is worth 80% of the incremental cost of the LPG system, less any other grant funds used to pay for the incremental cost of the LPG system. Used OEM vehicles and LPG fuel system components are not eligible. AFRED also offers incentives to buyers of propane forklifts that meet 2004 U.S. Environmental Protection Agency emission standards. Rebate funding is limited.

**Liquefied Petroleum Gas (LPG) Vehicle Training**

The Railroad Commission of Texas offers free safety and maintenance training on LPG vehicles, buses, and forklifts.

**Section 9-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 10-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. |

## Section 11-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 vehicle beginning September 1, 2013.  | Converted to gasoline gallon equivalent or diesel gallon equivalent. |
| <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 or diesel gallon equivalent. |
| <b>LPG (Liquefied Petroleum Gas)</b> | Prepaid decal for TX-plated motor vehicles and \$0.15 per gallon for out-of-state plated motor vehicles and IFTA licensed vehicles. |  |
| <b>Methanol or “M85”</b>             |   | <b>Not Applicable</b>  |
| <b>Other</b>                         |   | <b>Not Applicable</b>  |

# 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-State Tax Rates

**Gasoline:** 24.5 cents/gallon

**Diesel:** 24.5 cents/gallon

**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

## **Section 5-Rate Updates**

**Please list any rate updates for your state:** Non this past year

## **Section 6-State Collection Allowance**

## **Section 7-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 8-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.

### **State Incentives**

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

Vehicles with clean-fuel license plates are authorized to travel in HOV lanes regardless of the number of occupants, to the extent authorized or permitted by federal law or federal regulation. The clean-fuel plate must be purchased from a Motor Vehicle Division office by presenting a Clean Special Fuel Certificate. The cost of the clean-fuel plate is \$15. To be eligible for a clean-fuel license plate, a vehicle must meet the definition of a clean-fuel vehicle as defined in Utah Code 19-2-402. This incentive expires December 31, 2010. (Reference [Utah Code](#) 41-1a-1211, 41-6a-702, and 63-55-241)

### **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 9-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> |
|----------------|------------------------------|-------------------------|----------------|------------------------------|-------------------------|
| \$0.245/gallon | B100 is taxable              | Not taxable             | \$0.245/gallon | Not taxable                  | Not taxable             |

### **Section 10-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 \$0.245/gallon. | Ethanol is not reportable until blended with gasoline. The tax rate is \$0.245/gallon. |

**Section 11-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>  | \$0.085 per gallon equivalent | <b>120 cubic feet = 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>                      |                               | <b>Not Applicable</b>                                |
| <b>LNG (Liquefied Natural Gas)</b>   | \$0.085 per gallon equivalent | <b>1 liquid 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>                                |

# 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@state.vt.us

## 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:** Distributor

## Section 4-State Tax Rates

**Gasoline:** \$0.19 per gallon

**Diesel:** \$0.25 per gallon

**Aviation Fuel:** \$0.19 per gallon

**Jet Fuel:** \$0.19 per gallon

All fuel types listed have an additional \$0.01 per gallon petroleum clean up fee in addition to the tax.

### **Section 5-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.

Gasoline also has a Motor Fuel Infrastructure Assessment fee that is determined on a quarterly basis by using the average retail price of gas for the 3 prior months.

Diesel Fuel has an additional \$0.03 per gallon Motor Fuel Infrastructure Assessment fee. This fee does not fluctuate.

### **Section 6-State Collection Allowance**

### **Section 7-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 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 8-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 9-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>      |
|---------------|------------------------------|------------------------------|----------------|------------------------------|------------------------------|
| \$0.25 gallon | B100 is taxable              | Subject to the Oil Spill Fee | \$0.19/gallon  | Ethanol is taxable           | Subject to the Oil Spill Fee |

All fuel types listed have an additional \$0.01 per gallon petroleum clean up fee in addition to the tax.

**Section 10-State Taxes Applicable to Imports of Ethanol and Biodiesel**

| <b>Biodiesel</b>  | <b>Ethanol</b>  |
|---|---|
| B100 is treated like diesel fuel. The tax becomes due when blended and is suitable for use as a motor fuel. | Ethanol is treated like gasoline. The tax rate is \$0.19/gallon. Sales to licensed distributors are tax free. |

**Section 11-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>                |

# 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-State Tax Rates

**Gasoline:** Effective July 1, 2013-.111 cents per gallon  
**Diesel:** Effective July 1, 2013-.202 cents per gallon  
**Aviation Fuel:** Aviation Gas -.05  
**Jet Fuel:** Aviation Jet - .05

For Aviation Consumers-.05 for first 100,000 gallons per fiscal year and .005 for any gallons over 100,000 per fiscal year.

## **Section 5-Rate Updates**

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

## **Section 6-State Collection Allowance**

Discounts in Va:

Licensed Distributor and Importer - one percent of tax (.01) for paying the tax due a supplier timely.

Suppliers – Administrative discount- one-tenth of one percent (.001) not to exceed \$5,000 per month for timely filing and payment return.

Suppliers – for sells directly to unlicensed distributors, bulk users retailer or user of fuel- one-half of one percent (.005)

## **Section 7-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

**What diversion registry program do you use?** FuelTrac.US/Trac3

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

All taxable products.

**Diversion Requirements.**

Purchaser shall be liable for any tax due as a result of the purchaser's diversion of fuel from the represented destination state. Must receive confirmation number 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)**

Customer/End user can obtain refund.

**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?**

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.

## **Section 8-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 9-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 blended-at gasoline or diesel rate | Not taxable                  | Not taxable             |

**Section 10-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, unless it is sold directly for highway use. There is legislation pending to change the tax on B100 so that it will be taxed as diesel prior to blending. | n/a-But note that a license is required to import ethanol. |

**Section 11-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>                |

# 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) 82.36, 82.38, 82.42; Washington Administrative Code (WAC) 308-72, 308-77, 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-State Tax Rates

**Gasoline:** 0.375

**Diesel:** 0.375

**Aviation Fuel:** 0.11

**Jet Fuel:** 0.11

## **Section 5-Rate Updates**

**Please list any rate updates for your state:** No rate change after July 1, 2008

## **Section 6-State Collection Allowance**

None

## **Section 7-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 8-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> |
|--------------------------------|------------|
| Less than 10,000 pounds (lbs.) | \$45       |
| 10,001 - 18,000 lbs.           | \$80       |
| 18,001 - 28,000 lbs.           | \$110      |
| 28,001 - 36,000 lbs.           | \$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 9-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> |
|----------------|------------------------------|-------------------------|----------------|------------------------------|-------------------------|
| \$0.375 gallon | B100 is taxable              |                         | \$0.36/gallon  | Ethanol is taxable           |                         |

## Section 10-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 \$0.375/gallon. | Ethanol is treated like gasoline. The tax rate is \$0.375/gallon. Licensed Suppliers and Importers can import into IRS approved terminals and defer the tax until the ethanol is distributed in the state. |

## Section 11-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>                |

# STATE OF WEST VIRGINIA

## Section 1-Contact Information

**Agency:** WV State Tax Department

**Name:** Diana L Webb

**Street Address:** 1001 Lee Street E

**City, State Zip Code:** Charleston WV 25301

**Phone Number:** 304-558-8621

**Fax Number:** 304-558-8643

**E-mail Address:** [dee.l.webb@wv.gov](mailto:dee.l.webb@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-State Tax Rates

**Gasoline:** 34.7 cents, includes variable rate

**Diesel:** 34.7 cents, includes variable rate

**Aviation Fuel:** .142 cents, variable rate only

**Jet Fuel:** .142 cents, variable rate only

## **Section 5-Rate Updates**

**Please list any rate updates for your state:** This average wholesale price per gallon (\$2.831) and the variable component tax computed thereon (\$0.142 per gallon) shall apply to all gallons of motor fuel sold, purchased or used in this State during the period beginning January 1, 2013 and ending December 31, 2013, inclusive, regardless of whether actual purchase price of such Motor fuel is more or less than \$2.831 per *gallon*

## **Section 6-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 7-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?** WV Motor Fuel Registration System

**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 9-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> |
|----------------|------------------------------|-------------------------|----------------|------------------------------|-------------------------|
| \$0.347 gallon | B100 is taxable              | None                    | \$0.347/gallon | Not taxable                  | None                    |

### Section 10-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 \$0.347/gallon. | Ethanol is not taxed until blended. The tax rate is \$0.347/gallon. Blenders license is required when blending or a Distributors License. |

**Section 11-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>                      |                   | <b>Not Applicable</b>                |
| <b>LNG (Liquefied Natural Gas)</b>   | yes               |                                      |
| <b>LPG (Liquefied Petroleum Gas)</b> | yes               |                                      |
| <b>Methanol or “M85”</b>             | no                | <b>Not Applicable</b>                |
| <b>Other</b>                         |                   | <b>Not Applicable</b>                |

# STATE OF WISCONSIN

## Section 1-Contact Information

**Agency:** Wisconsin Department of Revenue

**Name:** Stan Hook or Chris Roy

**Street Address:** 2135 Rimrock Road

**City, State Zip Code:** Madison, WI 53713

**Phone Number:** 608-261-8985 or 608 266-7453

**Fax Number:** 608-261-7049

**E-mail Address:** [stanley.hook@revenue.wi.gov](mailto:stanley.hook@revenue.wi.gov) or [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 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-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 5-Rate Updates**

**Please list any rate updates for your state:** None since 4/1/2006 and none scheduled.

## **Section 6-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 7-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 8-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 9-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 10-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 11-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

# 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/T39CH14.htm>

<http://soswy.state.wy.us/Rules/RULES/3936.pdf>

## Section 3-State Point of Taxation

**Gasoline:** Rack

**Diesel:** Rack

**Aviation Fuel:** Rack

**Jet Fuel:** Rack

## Section 4-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 5-Rate Updates**

**Please list any rate updates for your state:** None.

## **Section 6-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 7-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).

**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 8-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

### Ethanol Motor Fuel Production Tax Credit

A person with a tax liability for the sale of ethanol-based motor fuel, or gasoline sold for the purpose of blending into an ethanol-based motor fuel, may redeem a tax credit of \$0.40 per gallon with the Wyoming Department of Transportation. Ethanol-based motor fuel is defined as a blend of 10% ethanol and 90% gasoline that is used to operate motor vehicles. To be eligible to receive this credit, at least 25% of an ethanol producer's distillation feedstock purchases must be products that originate in Wyoming, excluding water, during the year the tax credits were earned. The total credits redeemed by all ethanol producers may not exceed \$4,000,000 per year, and the total credits redeemed by any individual ethanol producer may not exceed \$2,000,000 per year. Additionally, an ethanol producer constructing a new ethanol production facility may receive tax credits for a period not to exceed 15 years after the date construction is completed. Any ethanol producer that expands its production after July 1, 2003, by at least 25% is eligible for tax credits with an increased maximum amount. Ethanol producers qualifying for the tax credit on or before July 1, 2003, may only receive a tax credit until June 30, 2009. (Reference Wyoming Statutes 39-17-109)

The ethanol tax credit is scheduled, through statute, to expire June 30, 2015.

### Section 9-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 10-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 11-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>Not Applicable</b>                |
| <b>E85</b>                           | Yes @ \$.24       | <b>Not Applicable</b>                |
| <b>Electric Vehicles/Electricity</b> | TBD               | <b>Not Applicable</b>                |
| <b>Gasoline Hybrid Vehicles</b>      | TBD               | <b>Not Applicable</b>                |
| <b>Hydrogen</b>                      | Yes @ \$.24       | <b>Not Applicable</b>                |
| <b>LNG (Liquefied Natural Gas)</b>   | Yes @ \$.24       | <b>Not Applicable</b>                |
| <b>LPG (Liquefied Petroleum Gas)</b> | Yes @ \$.24       | <b>Not Applicable</b>                |
| <b>Methanol or “M85”</b>             | Yes @ \$.24       | <b>Not Applicable</b>                |
| <b>Other</b>                         |                   | <b>Not Applicable</b>                |