

STATE TAXATION OF SPECIAL FUELS 1/

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

TABLE MF-102
STATUS AS OF JANUARY 1, 2008

STATE	TAX RATE 2/ (CENTS PER GALLON) (1)	TAX PAID IN FIRST FIRST INSTANCE (2)	DATE TAX DUE 3/ (3)	TAX COLLECTED AND ADMINISTERED BY (4)	REMARKS 4/ (5)
Alabama	19	Distributors or licensed users	20th	Department of Revenue	Retailer, if not licensed as a distributor must buy tax-paid fuel. The Commissioner of Agriculture and Industries administers and collects the 2-cent inspection fee included in the tax. The LPG Board administers the tax on LPG.
Alaska	8	Dealers and users	Last	Department of Revenue	Retailer collects the tax in the first instance when heating fuel is sold as motor fuel. Transit use is taxed.
Arizona	26	Licensed Suppliers	27th	Department of Transportation, Motor Vehicle Division	Dyed diesel consumed by school buses and local transit systems are subject to tax at the 18 cents per gallon
Arkansas	22.5	Diesel suppliers (wholesalers or distributors) and LPG users	25th	Department of Finance and Administration, Motor Fuel Tax Section	LPG non-resident users will be charged the per gallon tax of 16.5 cents per gallon. In-state users are required to obtain a annual flat fee.
California	18	Suppliers / Users	Last	Board of Equalization	Transit is exempt, but is subject to a 1-cent tax on the exempt gallons used on State highways. The LPG tax is paid by the retailer or user and the tax is due on the 25th day of the month.
Colorado	20.5	Distributors	26th	Department of Revenue, Taxpayer Services Division	Transit use is taxed.
Connecticut	37	Licensed motor fuel distributors	25th	Department of Revenue Services	Diesel fuel distributors collect the tax from retailers or users and pay tax to the State. Transit bus use is subject to full refund. Transit use taxicabs and livery services subject to 50 percent refund. LPG, CNG, and LNG are not taxed when sold as motor vehicle fuels.
Delaware	22	Wholesale Distributors	25th	Department of Transportation, Motor Fuel Tax Administration	Licensed retailer becomes liable for the tax when fuel is placed in supply tank of user's vehicle. Licensed user who acquires tax-free fuel becomes liable for the tax when fuel is placed in supply tank of his licensed vehicle. Supplier must collect tax on delivery to unlicensed dealer or user. Transit use is taxed.
Dist. of Col.	20	Licensed importers	25th	Office of Tax and Revenue	Metro (transit buses), U.S., D.C. and diplomats are exempt.
Florida	28.8	Terminal suppliers, blenders, importers, and wholesalers	20th	Department of Revenue	Transit use is taxed; however, 23.8 cents per gallon is refundable. Nonhighway agricultural use and marine use are exempt from all taxes except a sales and use tax of 6 percent of the retail price of the diesel fuel.
Georgia 8/	7.5	Tax paid by licensed distributors	20th 5/	Department of Revenue, Motor Fuel Tax Unit	Any taxpayer who is not licensed may apply for a refund for clear diesel fuel used for non-highway use.
Hawaii	17	Distributors	Last	Department of Taxation	Transit use is taxed.
Idaho	25	Retailers or licensed users, including trucks	Last 7/	Tax Commission	-
Illinois	21.5	Licensed distributors, special fuels suppliers or bulk users of special fuel	20th	Department of Revenue	Most nonhighway use is exempt. Transit use is exempt.
Indiana	16	Licensed suppliers, importers, and blenders	15th	Department of Revenue, Special Tax Division	Special fuel tax is imposed at the time of removal from the terminal rack, the tax is then passed on to each subsequent purchaser.
Iowa	22.5	Licensed supplier, restrictive supplier, importer, blender, dealer, or user.	Last	Department of Revenue and Finance	Applies to undyed diesel fuel, and LPG or CNG delivered into the fuel supply of a motor vehicle.
Kansas	26 18	Diesel - wholesale distributors; LPG - users and dealers	25th	Department of Revenue, Customer Relations	Diesel tax is computed on quantities received or imported less exempt sales. Transit use is taxed.
Kentucky	18	Licensed special fuels dealers (importers, wholesalers, refiners)	25th	Department of Revenue, Motor Fuels Tax Section	-
Louisiana	20	Suppliers (wholesalers)	20th	Taxpayer Services	User or dealer pays tax to supplier. Transit use is taxed.

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Maine	29.6	Licensed suppliers (wholesalers),	Last	State Tax Assessor	Licensed supplier (wholesaler) or retailer is liable for the tax and shall charge and collect the tax. Licensed users is liable for tax on fuel bought tax free and used on the highway.
Maryland	24.25	Licensed sellers and users	Last	Comptroller, MATT Regulatory Division	Fleet operators, if licensed and bonded as diesel users, can fuel trucks from own storage tanks and pay tax. LPG users with bulk fuel register as bonded users. All others buy tax-paid fuel. Use by mass transit administration buses and certain municipal bus companies is exempt.
Massachusetts	21	Licensed special fuels suppliers	20th	Department of Revenue, Excises Bureau	Suppliers may sell tax free if fuel is sold to other suppliers. Regional transit authorities are exempt.
Michigan	15	Supplier, importer, blender	20th	Department of Treasury, Customer Contact Division - Special Taxes	Diesel tax rate simplified to 15 cents, except dyed diesel . which is exempt. The LPG tax is collected by a licensed LPG dealer.
Minnesota	20	First licensed distributor	23rd	Department of Revenue, Special Taxes / Petroleum	Transit systems owned by cities or towns are exempt.
Mississippi	18.4	Wholesalers, retailers (distributors)	20th	State Tax Commission	Compressed gas users: vehicles 10,000 pounds g.v.w.. and under, \$100 annual fee; vehicles greater than 10,000 pounds g.v.w.. but less than 20,000 pounds, \$225 - prepayment of tax; vehicles greater than 20,000 pounds g.v.w., \$300 - prepayment of tax; vehicles greater than 10,000 pounds that carry "F" or farm tag, \$150 - prepayment of tax. Annual reports are required on all vehicles with a gross weight exceeding 10,000 pounds.
Missouri	17	Suppliers or distributors	2nd	Department of Revenue, Taxation Bureau	Transit use is taxed.
Montana	27.75	Distributors	25th	Department of Transportation, Administration Division	Transit use is taxed.
Nebraska	27.1	Distributors and importers	25th	Department of Revenue	Special fuels category is now divided into a diesel and a compressed gas program. Compressed gas includes LPG and CNG.
Nevada	27.7	Licensed users or suppliers	Last 7/	Department of Motor Vehicles, Motor Carrier Division	Retailer sells tax-free fuel to licensed user and collects tax from unlicensed users. Nonhighway, government and transit are exempt.
New Hampshire	19.6	Distributors (Last Licensee Model)	Last 7/	Department of Safety - Road Toll Administration	Transit use is taxed.
New Jersey	13.5	Retailers and users		Department of the Treasury, Division of Taxation	Generally, off-road use is not taxable.
New Mexico	22.875	Distributors	25th	Motor Transportation Division, Operations Bureau	Transit use is taxed.
New York	22.65	Registered distributors upon first sale in the State	20th	Department of Taxation and Finance	Under certain conditions, fuel used in omnibuses and taxicabs is subject to a refund of 3 cents+F226 per gallon. Diesel fuel used in omnibuses operated in local transit service and all school buses owned by nonpublic schools is subject to full refund.
North Carolina	29.9	For diesel and kerosene, Supplier who owns the fuel as it crosses the terminal rack (Position Holder/Supplier) For alternative fuel - Alternative Fuel Provider upon use	22nd	Department of Revenue, Motor Fuels Tax Division	The point of taxation diesel and kerosene is the same as for gasoline-terminal rack. The point of taxation for alternative fuels is upon sale for a highway use, sale to a retailer for highway use, or to a bulk end-user for highway use.
North Dakota	23	Licensed dealers (wholesalers)	25th	Tax Commissioner, Motor Fuel Tax Section	Dyed fuel used for agriculture, industrial, or railroad purposes is exempt but subject to a special excise tax of \$.04 per gallon; LPG is subject to tax at the rate of 2%. Special fuel used for heating purposes is subject to tax at \$.02 and 1% from January 2008 through June 2009. Beginning July 2009 heating fuel is exempt.

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Ohio	28	Wholesalers and Distributors of Motor Vehicle Fuel	Last day of the month	Tax collected by the State Treasurer (EFTs) and Ohio Dept of Taxation. Motor Fuel laws administered by the Dept. of Taxation	Tax is paid on first sale knowingly made for highway use. If final use cannot be determined, user is liable for the tax. Public transit use is refunded 27 cents per gallon.
Oklahoma	14	Suppliers (diesel) Special Fuel Dealers (propane)	27th (20th LPG)	Tax Commission, Audit Division, Motor Fuel Division	Diesel taxed at the rack. LPG when used for taxable purpose
Oregon	24	Retailers or users	20th	Department of Transportation	Tax is paid by user for vehicles not under jurisdiction of the Public Utilities Commission (PUC). Vehicles under jurisdiction of the PUC and paying motor-carrier fees are exempt from payment of the special fuels tax. Fuel used by a publicly organized mass transportation district is subject to full refund.
Pennsylvania	38.1	Registered Distributors	20th	Department of Revenue, Bureau of Motor Fuel Taxes	Quantities used or sold and delivered except for dyed diesel and dyed kerosene.
Rhode Island	30	Wholesalers, retailers or users	27th	Department of Administration, Division of Taxation, Excise Tax Section	Tax is on first sale where use is known to be for internal combustion engine. If use cannot be determined initially, user becomes liable for tax. Public transit use is exempt.
South Carolina	16	Supplier at terminal rack	22nd	Department of Revenue	Wholesale supplier: tax is on first sale when use is known to be for internal combustion engine. If use cannot be determined, user becomes liable for tax. Transit use is taxed.
South Dakota	22	Suppliers and importers	Last	Department of Revenue, Motor Vehicle Division	-
Tennessee	17	At the terminal rack	20th	Department of Revenue	Transit use is exempt.
Texas	20	Licensed Suppliers, Permissive Suppliers, importers and blenders, (Diesel Fuel) / Licensed Dealers, and users (LPG)	25th	Comptroller of Public Accounts	Transit use of diesel fuel is taxed, but a qualified transit company may seek a refund of one-half of one cent per gallon. The LPG tax is collected by licensed LPG dealers on fuel sold to "out-of-State" licensed vehicles, Texas vehicles licensed under IFTA and vehicles with an LPG vehicle dealer license. Users with motor vehicles licensed in Texas and equipped with a liquefied gas system are required to prepay the tax by purchasing an annual liquefied gas tax decal.
Utah	24.5 (See remarks)	Licensed supplier	Last	Tax Commission	No tax on special fuels defined as clean fuels, which are propane, compressed natural gas, electricity, or any fuel that meets the clean fuel vehicle standards in the Federal Clean Air Act Amendments of 1990, Title II. These exemptions require purchase of an annual exemption certificate. Publicly owned transit is exempt. Gasoline considered "clean fuel" is taxed at the following rates per gallon 3/19 of rate round to the nearest penny: 4 cents (59-13-201(1)(b))
Vermont	19	Licensed Distributors	Last	Department of Motor Vehicles, Commercial Vehicle Operations	Diesel fuel suppliers collect the tax on the first taxable sale, and pay the tax to the State. The tax is then passed on in each sale so that the tax is ultimately paid by the person consuming the fuel on the highway. A Diesel Fuel Tax Exemption Certificate number can be obtained when fuel is used for official purposes by State, City, Fire Districts, School Districts, or when delivered for farm use to farm bulk fuel storage tank.
Virginia	17.5	Suppliers, Importers, Blenders, Bulk User, Retailer and Provider of Alternative Fuel	20th day of the second month of receipt or sale	Department of Motor Vehicles, Motor Carrier Services	Supplier sells fuel wholesale and retail. User cannot acquire tax-free fuel. Use in vehicles that have: two axles and a gross vehicle weight of more than 26,000 pounds regardless of weight, or used in combination, when the combined weight is more than 26,000 pounds gross or registered gross vehicle weight is subjected to an additional 13.5 cents. Certain transit use is refunded.

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Washington 6/ 7/	34	Supplier (terminal rack) or importer, or blender	25th	Department of Licensing, Prorate and Fuel Tax Services	Cities or towns that are within 10 miles of an international border crossing or transportation benefit districts that contain an inter- national border may impose an additional local tax up to 1 cent per gallon.
West Virginia	32.2	Terminal Rack / on Import into State	31st	Department of Tax and Revenue, Internal Auditing Division	
Wisconsin	30.9	Licensed suppliers or retailers	15th	Department of Revenue	Diesel fuel tax is paid by the licensed supplier. For alternate fuels, including LPG, tax is paid by person who places fuel in motor vehicle tank of the user. Urban mass transportation use by common carriers is exempt.
Wyoming	14	Supplier (terminal rack)	Last	Department of Transportation	-

1/ As used in this table, special fuels are motor fuels other than gasoline and gasohol, and include diesel fuel and liquefied petroleum gases (LPG).
 2/ Rates shown are as of January 1, 2008. Some of the rates shown are composites of several taxes. Where two tax rates are shown for a State, the first rate applies to diesel fuel, and the second to liquefied petroleum gases (LPG), such as propane and butane. Many States provide for an annual fee in lieu of paying the gallonage tax on LPG. See Table MF-121T for more detail on the composition of the rates and special permit programs for LPG. See Table MF-106 for State code citations for the taxes.
 3/ Date tax is due in month following month of transfer of special fuel.
 4/ Special provisions for taxation of motor fuel used in interstate operation are shown in Table MF-104.
 5/ Tax is due in April, July, October and January of the following year in Idaho, Maine, Montana, Nevada, and New Hampshire (applies to users only in Maine, Montana, Nevada and New Hampshire). In Georgia, some users with tax payments of \$500 or less per year may pay annually by January 25. In Virginia, is due by the 5th day of the second month of receipt or sale.
 6/ Cities or towns that are within 10 miles of an international border crossing or transportation benefit districts that contain an international border may impose an additional local tax up to 1 cent per gallon.
 7/ Effective 7/1/08, tax rates for gasoline and special fuel will increase to 37.5 cents per gallon.
 8/ The State of Georgia has additional state prepaid tax rates, which varies by type of fuel. i.e. the gasoline rate is 0.110, diesel 0.123, LPG 0.074, Special Fuel 0.109.
 These rates are added to the 0.75 state excise tax and are collected by the wholesaler at the time of sale.