

State Contact Information

Points of Taxation

Tax Rates

Diversion Information

**Alternative Fuels
Incentives and Laws**

**Taxation and Tax Rates for
Alternative Fuels**

Updated September 2014

DISCLAIMER

The information in this booklet was obtained in July of 2014 and could have changed by the time of print.

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

STATE OF ALABAMA

Section 1-Contact Information

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Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

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

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

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

Section 3-State Point of Taxation

Gasoline: Terminal (October 1, 2012)

Diesel: Terminal (October 1, 2012)

Aviation Fuel: Terminal (October 1, 2012)

Jet Fuel: Terminal (October 1, 2012)

Section 4-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.

Act 2014-408 temporarily eliminated the decal requirement and temporarily suspended the Alabama excise tax until October 1, 2016 for LNG and CNG. This Act also sets the gasoline and diesel fuel gallon equivalent rates for CNG and LNG. The effective date of this Act was April 9, 2014.

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 to a supplier or permissive supplier may deduct from the amount due to the supplier or permissive supplier a discount of four tenth of one percent (.004) of the amount of tax payable.

Section 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)		State LPG Board
E85	\$.16 per gallon	
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)		State LPG Board
LPG (Liquefied Petroleum Gas)		Decal – State LPG Board
Methanol or “M85”		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

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

Section 14 Does your state allow bad debt credits?

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

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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
B100 is treated like diesel fuel. The tax rate is \$.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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	\$.08/gallon	Industry standard
E85	\$.08/gallon	Not Applicable
Electric Vehicles/Electricity	No tax	
Gasoline Hybrid Vehicles	No tax	Not Applicable
Hydrogen	No tax	Not Applicable
LNG (Liquefied Natural Gas)	\$.08/gallon	Industry standard
LPG (Liquefied Petroleum Gas)	No tax	
Methanol or “M85”	\$.08/gallon	Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
Any	.08	yes

Section 13 How does your state handle contaminated fuel?

Eligible for refund with a claim for refund

Section 14 Does your state allow bad debt credits?

No

STATE OF ARIZONA

Section 1-Contact Information

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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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)		
E85	.18 cents per gallon	Not Applicable
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)		
LPG (Liquefied Petroleum Gas)		
Methanol or “M85”		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
Ethanol		Yes
Tolulene		Yes
Methanol		Yes

Section 13 How does your state handle contaminated fuel?

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

Section 14 Does your state allow bad debt credits?

No

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

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

Section 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Yes	125 c.f. equal 1 gallon
E85	Yes	Not Applicable
Electric Vehicles/Electricity	Yes	
Gasoline Hybrid Vehicles	Yes	Not Applicable
Hydrogen	Yes	Not Applicable
LNG (Liquefied Natural Gas)	No	

LPG (Liquefied Petroleum Gas)	Yes	Not Applicable
Methanol or “M85”	Yes	Not Applicable
Other	None	Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 Does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

STATE OF CALIFORNIA

Section 1-Contact Information

Agency: Board of Equalization

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Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

Gasoline:

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

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

Diesel:

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

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

Aviation Fuel:

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

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

Jet Fuel:

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

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

Alternative Fuels:

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

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

Section 3-State Point of Taxation**Gasoline:****Motor Vehicle Fuel Tax Law, R&T Code Section 7362 “Rack Removal”**

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

R&T Code Section 7363 “Other”

The tax is also imposed on all of the following:

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

R&T Code Section 7364 “Backup tax”

A "backup tax" is imposed:

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

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

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

R&T Code Section 60052 “Other”

The tax is also imposed on all of the following:

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

R&T Code Section 60058 “Backup tax”

A "backup tax" is imposed:

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

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

Commencing on July 1, 2013, and on each July 1 thereafter, the board shall establish a tax rate per gallon, rounded to the nearest one-tenth of one cent (\$0.001), by multiplying the average retail price per gallon (including the federal excise tax and excluding the state excise tax and the sales and use tax) of diesel fuel sold in this state by a percentage equal to the combined state and local sales tax rate established by Part 1 (commencing with Section 6001) and Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code and Section 35 of Article XIII of the California Constitution. The average retail price per gallon shall be the

average of weekly retail prices for the 12-month period ending on the last day of January prior to the effective date of the new rate. In determining the average retail price per gallon, the board shall use the weekly average retail price as reported by the United States Energy Information Administration (EIA). In the event the EIA information is delayed or discontinued, the board may base its determination on other sources of the average retail price of diesel fuel. The board shall make its determination of the rate no later than March 1 of the same year as the effective date of the new rate.

Aviation Fuel:

See Motor Vehicle Fuel above.

Jet Fuel:

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

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

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

Alternative Fuel:

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

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

Section 4-State Tax Rates

Gasoline: Effective July 1, 2014 through June 30, 2015, \$0.360 per gallon.
Rate is reset annually each July 1.

Diesel: Effective July 1, 2014 through June 30, 2015, \$0.11 per gallon.
Rate is reset annually each July 1.

Effective July 1, 2014 through June 30, 2015, the Interstate User (IFTA) rate is \$0.447 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:

Unladen Weight	Fee
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, decreased the excise tax rate on motor vehicle fuel to 36.0 cents (\$0.360) per gallon effective July 1, 2014. The rate may be adjusted annually with the new rate effective July 1 of each year. This rate change is not applicable to aviation gasoline.

Diesel Fuel:

R&T Code section 60050, increased the excise tax rate on diesel fuel to 11.0 cents (\$0.110) per gallon effective July 1, 2014. The new component b rate for the 2014/15 period is 33.7 cents (\$0.337). 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.11/gallon through June 30, 2015.	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	Sales Tax.

				the Use Fuel Tax Law. Ethanol containing more than 15% gasoline is taxed under the Motor Vehicle Fuel Tax Law at the current tax rate.	
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Section 10-State Taxes Applicable to Imports of Ethanol and Biodiesel

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	(1)	Not Applicable
E85	(1)	Not Applicable
Electric Vehicles/Electricity	Not Taxed	Not Applicable
Gasoline Hybrid Vehicles	Not Taxed	Not Applicable
Hydrogen	Not Taxed	Not Applicable
LNG (Liquefied Natural Gas)	(1)	Not Applicable
LPG (Liquefied Petroleum Gas)	(1)	Not Applicable
Methanol or "M85"	(1)	Not Applicable
Other	(1)	Not Applicable

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

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock⁽¹⁾	Tax Rate	Reportable
Alkylate (122)	MVF Rate	
Butane (055)	MVF Rate	
Butene (122)	MVF Rate	
Catalytically cracked gasoline (122)	MVF Rate	
Coker gasoline (122)	MVF Rate	
Ethyl tertiary butyl ether (249 – ETBE)	MVF Rate	
Hexane (122)	MVF Rate	
Hydrocrackate (122)	MVF Rate	
Isomate (122)	MVF Rate	
Light naphtha (126)	MVF Rate	
Methyl tertiary butyl ether (093 – MTBE)	MVF Rate	
Mixed xylene (076 - not including any separated isomer of xylene)	MVF Rate	
Naphtha (126)	MVF Rate	
Natural gasoline (061)	MVF Rate	
Pentane (059)	MVF Rate	
Pentane mixture (059)	MVF Rate	
Polymer gasoline (122)	MVF Rate	
Raffinate (223)	MVF Rate	
Reformate (071)	MVF Rate	
Straight-run gasoline (065)	MVF Rate	
Straight-run naphtha (126)	MVF Rate	
Tertiary amyl methyl ether (121 – TAME)	MVF Rate	
Tertiary butyl alcohol (gasoline grade) (TBA) (122)	MVF Rate	
Thermally cracked gasoline (122)	MVF Rate	
Toluene (199)	MVF Rate	
Transmix containing gasoline (100)	MVF Rate	
Xylene (076)	MVF Rate	
Additives, miscellaneous (090)		Reportable

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

(1) Applicable product code is provided with the type of blendstock. A complete list of California's product codes is available at: <http://www.boe.ca.gov/pdf/boe810ftb.pdf>.

(2) Other, product code 092, applies to both MVF and diesel products.

Section 13 How does your state handle contaminated fuel?

There is an allowance for tax-paid diesel fuel lost through the accidental conversion of undyed diesel fuel to dyed diesel fuel or tax-paid diesel fuel lost through the intentional conversion of

undyed diesel fuel to dyed diesel fuel in the ordinary course of handling (such as purging hoses) that may be claimed as a credit or refund. There are no such allowances for motor vehicle fuel (gas) or Use Fuel (alcohol fuels, CNG, LPG, LNG).

Section 14 Does your state allow bad debt credits?

Motor Vehicle Fuel – No

Diesel Fuel - Yes

Use Fuel - Yes

STATE OF COLORADO

Section 1-Contact Information

Agency: Colorado Department of Revenue

Name: Sandra Wiersma

Street Address: PO Box 17087

City, State Zip Code: Denver, CO 80217-0087

Phone Number: (303)205-8216

Fax Number: (303)205-8215

E-mail Address: sandra.wiersma@state.co.us

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules: 39-27-101 through 123 {C.R.S.}

Section 3-State Point of Taxation

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

Diesel/Special Fuel: 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

For calendar year 2014

Compressed Natural Gas: \$.03/gallon equivalent

Liquefied Natural Gas: \$.03/gallon

Liquefied Petroleum Gas: \$.03/gallon

Section 5-Rate Updates

Please list any rate updates for your state: LPG, LNG and CNG rates will change each January 1 through 2019.

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)

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

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

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

Any Additional Comments?

Section 8-Alternative Fuels Incentives and Laws

Colorado is the proud home of the Denver Metro (www.denvercleancities.org), Northern Colorado (www.northcolocleancities.com/pages/home.html), and Southern Colorado Clean Cities Coalitions (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. PHEVs also qualify for this incentive. Legislation passed in 2014 added income tax incentives for heavy duty alternative fuel vehicles and clean fuel refrigerated trailers (Colorado HB14-1326).

For tax credits for purchases after January 1, 2010, please see FYI Income 67 at Colorado Department of Revenue's website, www.taxcolorado.com. Additional information on the classification of qualifying vehicles, credit percentages by class, limitations, list of vehicles with tax credits and other pertinent information may be found.

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

Biofuels Research Grants

The Bioscience Discovery Evaluation Grant Program, administered by the Colorado Office of Economic Development, provides grants to research institutions for biofuels research projects. Biofuels research is defined as the use of microorganisms, specialized proteins, or thermal processes to develop biologically-based fuel production from plant or other biological material, including renewable agricultural sources, and the related processes' that make traditional manufacturing of energy cleaner and more efficient. Grant eligibility requirements apply. (Reference [House Bill](#) 1060, 2007, and [Colorado Revised Statutes](#) 24-48.5-108)

Alternative Fuels Charging Station Grants

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

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

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

Section 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
CNG (Compressed Natural Gas)		*the conversion rate will be measured by the volumetric reporting requirements that are included in the Federal Excise Tax Return, Form 720.
E85		Not Applicable
Electric	A decal is required for all	

Vehicles/Electricity	plug-in electric motor vehicles. [42-3-304 (25)(a) C.R.S.]	
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)		Taxed by gross gallon – DGE and GGE equivalents available at colorado.gov Website
LPG (Liquefied Petroleum Gas)		
Methanol or “M85”		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

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

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: 54.5¢ per gallon (effective 7/1/14 through 6/30/15)

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 1st of each year. For the previous period of 7/1/13 to 6/30/14 the diesel fuel tax rate was 54.9¢ 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.54.5/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

Biodiesel	Ethanol
B100 is treated like diesel fuel. You need to have a Special Fuel Distributor License. The current tax rate is \$0.545/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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Yes at 26¢ per gallon	126.67 cubic feet equals 1 gallon
E85	Yes at 25¢ per gallon	Not Applicable
Electric Vehicles/Electricity	No	
Gasoline Hybrid Vehicles	Yes at 25¢ per gallon	Not Applicable
Hydrogen	Unknown	Not Applicable
LNG (Liquefied Natural Gas)	Yes at 26¢ per gallon	Not Applicable
LPG (Liquefied Petroleum Gas)	Yes at 26¢ per gallon	Not Applicable
Methanol or “M85”	Yes at 25¢ per gallon	Not Applicable
Other		Not Applicable

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

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

Section 14 Does your state allow bad debt credits?

No

STATE OF DELAWARE *(Last updated 2013)*

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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)		
E85		Not Applicable
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable

LNG (Liquefied Natural Gas)		
LPG (Liquefied Petroleum Gas)		
Methanol or “M85”		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

STATE OF DISTRICT OF COLUMBIA

Section 1-Contact Information

Agency: Office of Tax and Revenue

Name: Marilou Mintac

Street Address: 1101 4th Street, SW

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

Phone Number: 202-442-6584

Fax Number: 202-442-6883

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

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:
DC Code Section 47-2301

Section 3-State Point of Taxation

Gasoline: First import

Diesel: First import

Aviation Fuel: First import

Jet Fuel: First import

Section 4-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:

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

Section 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 per year. The reduced rate applies to the first two years of registration and only the original purchaser is eligible. (Reference **Error! Hyperlink reference not valid.** 50-2201.03(j) and 50-1501.03)

Alternative Fuel Vehicle Exemption from Driving Restrictions

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

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

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

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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)		
E85		Not Applicable

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

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Not Applicable

Section 14 Does your state allow bad debt credits?

No

STATE OF FLORIDA

Section 1-Contact Information

Agency: Florida Department of Revenue

Name: Lee Gonzalez

Street Address: 2450 Shumard Oak Blvd

City, State Zip Code: Tallahassee, FL, 32399

Phone Number: 850-717-6764

Fax Number: 850-922-8426

E-mail Address: 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

2014 Rate Update (includes state and local option taxes)

Fuel –

- Motor Fuel (gasoline, fuel grade ethanol, and gasohol): State = \$.171 per gallon, Inspection Fee = \$.00125 per gallon / Local Option = varies by county – see link below)

http://dor.myflorida.com/dor/tips/pdf/13b05-01_chart.pdf

- Diesel: State = \$.171 per gallon / Local Option = \$.142 per gallon)
- Aviation Fuel (includes jet fuel, kerosene, and aviation gasoline): \$.069 per gallon
- ❖ All three products, except E00 and B00 are liable for pollutants tax of \$.02071 per gallon (includes inland protection, water quality, and coastal protection).

Section 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 defined as motor, diesel, or aviation fuel.

Diversion Requirements

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

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

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?

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

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

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

Section 8-Alternative Fuels Incentives and Laws

State Incentives

1. Compressed natural gas (CNG), liquefied natural gas (LNG), or a combination of the two for use in a motor vehicle.

Chapter 206, Part V, Florida Statutes exempts CNG, LNG, or a combination of the two from fuel or sales tax until January 1, 2019 if the fuel is placed into the supply system of an internal combustion engine.

2. Florida Renewable Energy Technology and Production Tax Incentive Programs

The Florida Renewable Energy Tax Incentives consists of three possible tax incentives and represents a total of \$89 million in potential tax credits or sales tax refunds over the life of the program. The intended goals of the program are to increase the renewable energy production within the state and create new jobs for Floridians. Below you will find information on the programs.

- **Florida Renewable Energy Technologies Sales Tax Refund**

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.

- **Florida Renewable Energy Technologies Investment Tax Credit**

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.

- **Florida Renewable Energy Production Credit**

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.

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol (Fuel Grade)	Motor Fuel Taxability	Misc. Taxability
\$0.313 per gallon	B100 is taxable	NA	State - \$.171 per gallon plus local option tax	Fuel grade ethanol is taxable	Subject to Pollutants (\$.02071 per gallon) Tax and Inspection Fee (\$.00125 per gallon)

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

Biodiesel	Ethanol
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 \$0.313 per gallon.	Fuel grade ethanol (denaturant = 1.97% or greater) has the same registration, reporting, and tax requirements as motor fuel. Tax is due upon removal from the loading rack or upon importation if by means other than the bulk transfer system. Current tax rate is \$0.171 per gallon plus local option tax (varies by county) plus the inspection fee (\$.00125 per gallon) plus pollutants tax (\$.02071 per 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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Effective 01/01/2014 – Not taxable until 2019.	1 MFEG = 5.66 pounds or 126.67 cubic feet
E85	Current tax rate is \$0.171 per gallon plus local option tax (varies by county) plus the inspection fee (\$.00125 per gallon) plus pollutants (\$.02071 per gallon).	Not Applicable
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	Effective 01/01/2014 – Not taxable until 2019.	1 MFEG = 6.06 pounds
LPG (Liquefied Petroleum Gas)	Effective 01/01/2014 – Not taxable until 2019.	1 MFEG = 1.35 gallons
Methanol or “M85”	If it meets the definition of motor fuel, current tax rate is \$0.171 per gallon plus local option	Not Applicable

	tax (varies by county) plus the inspection fee (\$0.00125 per gallon) plus pollutants tax (\$0.02071 per gallon).	
Other		Not Applicable

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable
Gasoline products or any product blended with gasoline or any fuel placed in the storage supply tank of a gasoline-powered motor vehicle.	\$0.171 per gallon plus local option tax (varies by county) plus the inspection fee (\$0.00125 per gallon) plus pollutants tax (\$0.02071 per gallon).	Yes, if it meets this definition.
Petroleum distillates commonly known as diesel #2, biodiesel, or any other product blended with diesel or any product placed into the storage supply tank of a diesel powered motor vehicle.	\$0.313/gallon.	Yes, if it meets this definition.
Fuel for use in aircraft, and includes aviation gasoline and aviation turbine fuels and kerosene, as determined by the American Society for Testing Materials specifications D-910 or D-1655 or current specifications.		Yes, if it meets this definition.

Section 13 How does your state handle contaminated fuel?

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

2. Mixing of Undyed and Dyed Diesel –

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

1. The terminal supplier, importer, or wholesaler must contact the Department at (850) 717-6034 within “thirty 30 days” of the misfueling incident that caused the mixing of dyed diesel fuel with taxable diesel fuel to obtain a refund authorization number. The terminal

supplier, importer, or wholesaler must report the following information:

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

Section 14 Does your state allow bad debt credits?

Yes

STATE OF GEORGIA *(Last updated 2012)*

Section 1-Contact Information

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

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

O.C.G.A. § 48-9-3 sets the Excise Tax rate.

O.C.G.A. § 48-9-14 sets the Prepaid State and Prepaid Local sales tax rates/sales prices.

Georgia Regulation's for motor fuel taxes may be found in Chapters 560-9-1 through 560-9-3.

Section 3-State Point of Taxation

Gasoline: Distributor

Diesel: Distributor

Aviation Fuel: Distributor

Jet Fuel: Distributor

Section 4-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) and Middle Georgia (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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
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

Biodiesel	Ethanol
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

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

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

STATE OF HAWAII

Section 1-Contact Information

Agency: Highways Division, Hawaii Department of Transportation

Name: Yibo Hsu

Street Address: 869 Punchbowl Street, Room 301

City, State Zip Code: Honolulu, Hawaii 96813

Phone Number: (808)587-1844

Fax Number: (808)587-1787

E-mail Address: yibo.hsu@hawaii.gov

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

Hawaii Revised Statutes §235-110.3, §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)

Gasoline: 17.0

Diesel: 17.0

Aviation Fuel: 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: The rates for the County of Kauai have increased. See Department of Taxation Announcement No. 2014-04 at: <http://www6.hawaii.gov/tax/announce/ann14-04.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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	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.
E85	E85 is taxable.	0.145 times the rate for diesel.
Electric Vehicles/Electricity	Not subject to the fuel tax.	N/A
Gasoline Hybrid Vehicles	Gasoline is taxable.	\$0.17 / gallon.
Hydrogen	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.
LNG (Liquefied Natural Gas)	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.
LPG (Liquefied Petroleum Gas)	LPG is taxable.	0.33 times the rate for diesel.
Methanol or “M85”	Methanol is taxable.	0.11 times the rate of diesel.
Other		

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable
Not applicable		

Section 13 How does your state handle contaminated fuel?

The handling of contaminated fuel is not addressed by Hawaii tax law.

Section 14 Does your state allow bad debt credits?

Hawaii does not have bad debt credits.

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: Carla: 208 332-6619
Don: 208 334-7844

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, <http://legislature.idaho.gov/idstat/Title63/T63CH24.htm>. The Idaho Motor Fuels Tax Administrative Rules are located in IDAPA 35.01.05, <http://adminrules.idaho.gov/rules/current/35/0105.pdf>.

Section 3-State Point of Taxation

Idaho is a 1st receiver state. Motor fuels taxes are imposed when the distributor first “receives” or loads motor fuel into transportation equipment at the terminal or when a shipment of motor fuel first crosses the border into Idaho in transportation equipment, such as tank trucks or railcars. Receipt is defined in Section 63-2403, Idaho Code.
<http://legislature.idaho.gov/idstat/Title63/T63CH24SECT63-2403.htm>.

Gasoline: At the terminal (rack) when loaded into transportation equipment or when the shipment first crosses the border into Idaho.

Diesel: At the terminal (rack) when loaded into transportation equipment or when the shipment first crosses the border into Idaho.

Aviation Gasoline: At the terminal (rack) when loaded into transportation equipment or when the shipment first crosses the border into Idaho.

Jet Fuel: At the terminal (rack) when loaded into transportation equipment or when the shipment first crosses the border into Idaho.

Section 4-State Tax Rates

The per gallon tax rate is:

Gasoline: \$0.25/gal (as of 4/1/96)

Diesel: \$0.25/gal (as of 4/1/96)

Aviation Gasoline: \$0.07/gal (as of 7/1/08)

Jet Fuel: \$0.06/gal (as of 7/1/08)

- Biodiesel (B00) - \$0.25 (as of 4/1/96)
- Biodiesel Blends (B01 - B99) - \$0.25 (as of 4/1/96)
- Ethanol Blends (E01 - E99) - \$0.25 (as of 4/1/96)

Each of the fuels listed above are subject to Idaho Petroleum Clean Water Trust Fund Act. The Act imposes a \$0.01/gallon transfer fee and has been in effect since September 1, 2007.

The following are considered gaseous special fuels and not subject to the transfer fee. The tax rate is based on the energy equivalent of a gallon of gasoline.

- Propane - \$0.181 (as of 4/1/96)
- Natural Gas - \$0.197 (as of 4/1/96) * per Therm

Section 5-Rate Updates

Please list any rate updates for your state: There have been no rate changes or updates in 2014

Section 6-State Collection Allowance

There is no collection allowance.

There is a credit allowed, less deductions, against tax due as reimbursement for loss from “evaporation, handling, spillage and shrinkage”, Subsection 63-2407(4) , Idaho Code.

<http://legislature.idaho.gov/idstat/Title63/T63CH24SECT63-2407.htm>.

Section 7-State Diversion Requirements

Diversion Required: No. If the fuel is delivered to a destination other than that listed on the original Bill of Lading (BOL), a corrected BOL must be issued with the actual destination listed.

If Diversion is required, please state Statute and/or Rule required to obtain a Diversion Number. Idaho does not allow a diversion number.

What diversion registry program do you use? N/A

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

Diversion Requirements: N/A

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

Suppliers paying motor fuel tax erroneously may request a refund or credit. Only the final consumer may claim a refund of motor fuel tax for nontaxable use.

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

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

Any Additional Comments?

Idaho is a first receiver state where the licensed distributor is the taxpayer. Idaho does not track by diversion numbers. If there is a change in destination, the taxpayer must file an amended return to correctly report the change in movement.

Section 8-Alternative Fuels Incentives and Laws

Idaho is the proud home of the Greater Yellowstone/Teton Clean Energy Coalition (www.yellowstonetetoncleanenergy.org) and the Treasure Valley Clean Cities Coalition (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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.25/ gallon	B100 is taxable	Subject to the \$0.01TTransfer 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

Biodiesel	Ethanol
B100 is treated as a motor fuel and taxed at the same rate as diesel, \$0.25/gallon. Idaho is a 1 st Receiver State for taxes due.	Ethanol is treated as a motor fuel and taxed at the same rate as gasoline, \$0.25/gallon. Idaho is a 1 st 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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	\$0.197/therm	1 therm = 1.27 GGE or 127%
E85	\$0.25 per gallon fuels tax plus .01 per gallon transfer fee	Not Applicable
Electric Vehicles/Electricity	No VMT or special fees imposed	
Gasoline Hybrid Vehicles	\$0.25/ gallon gasoline. No VMT or other fees imposed.	Not Applicable
Hydrogen	\$0.25/GGE	1 GGE = 0.946 kg or 946 g
LNG (Liquefied Natural Gas)	\$0.197/therm	1 Therm = 1.384 DGE of LNG or 138.4%
LPG (Liquefied Petroleum Gas)	\$0.181 per gal	4.25 lbs. = 1 Gal
Methanol or “M85”	\$0.25 per gallon fuels tax plus .01 per gallon transfer fee.	Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
All	\$0.25/gallon	All

Section 13 How does your state handle contaminated fuel?

On a case by case basis.

Section 14 Does your state allow bad debt credits?

No

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). 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	.19	
E85	.19	Not Applicable
Electric	N/A	

Vehicles/Electricity		
Gasoline Hybrid Vehicles	.19	Not Applicable
Hydrogen	N/A	Not Applicable
LNG (Liquefied Natural Gas)	.19	
LPG (Liquefied Petroleum Gas)	.19	
Methanol or “M85”	.19	Not Applicable
Other	N/A	Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

STATE OF INDIANA

Section 1-Contact Information

Agency: Department of Revenue

Name: Sherry Queen

Street Address: 7811 Milhouse Road, Suite P

City, State Zip Code: Indianapolis, IN 46241

Phone Number: 317-615-2534

Fax Number: 317-615-2691

E-mail Address: squeen@dor.in.gov or fetax@dor.in.gov

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

Gasoline	6-6-1.1
Special Fuel	6-6-2.5
Aviation Fuel	6-6-13

Section 3-State Point of Taxation

Gasoline: first received

Special Fuel: at the rack

Aviation Fuel: first received

Jet Fuel: first received

Section 4-State Tax Rates

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

Special Fuel: \$0.16 + \$0.01 oil inspection fee

Aviation Fuel: \$0.18 + \$0.01 oil inspection fee + \$0.10 aviation fuel excise tax

Jet Fuel: \$0.01 oil inspection fee + \$0.10 aviation fuel excise tax

Section 5-Rate Updates

Please list any rate updates for your state: none

Section 6-State Collection Allowance

Gasoline: billed gallons multiplied by .016

Special Fuel: tax due multiplied by .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 6-6-2.5-40(F)

Gasoline 6-6-1.1-606.5(H)

What diversion registry program do you use? Fuel Trac

What products are subject to the diversion requirement?

Gasoline and Special Fuel

Diversion Requirements

The shipper or its agent shall provide notification to the Department of Revenue of a diversion.

The shipper, importer, transporter, shippers' agent and any purchaser, not the supplier or terminal operator, shall be jointly liable for any tax otherwise due as the result of the diversion.

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

Customer responsible.

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

Yes, only if the customer does not have a license in Indiana and needs to pay the tax.

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

Any Additional Comments?

Section 8-Alternative Fuels Incentives and Laws

Indiana is the proud home of the Central Indiana Clean Cities Alliance, Inc. (www.greaterindiana.com) and the South Shore Clean Cities Coalition (www.southshorecleancities.org).

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)

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:

Credit	Annual Production
\$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 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](#))

Natural Gas Commercial Vehicle Indiana Income Tax Credit

An Indiana income tax credit is available for certain vehicles powered with natural gas (CNG or LNG). It applies only to vehicles weighing more than 33,000 pounds and purchased from an Indiana dealer. The Natural Gas Commercial Vehicle Indiana Income Tax Credit is effective Jan. 1, 2014, through Dec. 31, 2016. It can be applied against the purchasers' adjusted gross income tax, financial institutions tax, and/or insurance premium tax. (Reference [Indiana Code 6-3.1-34.6](#))

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.16/gallon	B100 is taxable	Subject to Inspection Fee	\$0.18/gallon when blended	Not taxable until blended	Not taxable until blended

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

Biodiesel	Ethanol
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.	Pure ethanol is not subject to tax until blended with a taxable product.

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
CNG (Compressed Natural Gas)	\$0.16/gallon	1.25 therms of CNG = 1 CNG GGE gallons. The calculation is Number of therms of CNG divided by 1.25 = Number of CNG GGE gallons.
E85	\$0.18/gallon	Not Applicable
Electric Vehicles/Electricity	Not Applicable	Not Applicable
Gasoline Hybrid Vehicles	Not Applicable	Not Applicable
Hydrogen	Not Applicable	Not Applicable
LNG (Liquefied Natural Gas)	\$0.16/gallon	1.67 gallons of LNG = 1 LNG DGE gallon. The calculation is Number of gallons of LNG divided by 1.67 = Number of LNG DGE gallons.
LPG (Liquefied Petroleum Gas)	Decal Fee \$100.00 - \$500.00	Not Applicable
Methanol or “M85”	\$0.18/gallon	Not Applicable
Other	Not Applicable	Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Contamination of fuel must be reported within one business day after the date the contamination occurred. If taxes have been paid on the contaminated fuel, the person that paid the taxes on the contaminated fuel may apply for a refund. Documentation of the taxes paid as well as documentation that the contaminated fuel was properly disposed of must be provided with the refund claim.

Section 14 Does your state allow bad debt credits?

Yes, for Special Fuel only.

STATE OF IOWA

Section 1-Contact Information

Agency: Iowa Department of Revenue
Name: Barb Lewison
Street Address: 1305 E Walnut, 3th 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

Iowa state government website: 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 1st. [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).

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-and 2013. For calendar years 2014-2017, the credit is \$.03 per gallon for sales made between January 1 and May 31, and for sales made between September 16 and December 31. The credit is \$.10 cents per gallon for 2014-

2017 for sales made between June 1 and September 15. 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, 2017 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 2014-2017. The refund will expire after December 31, 2017.

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 (AERLP)

The (AERLP) for alternative energy projects is administered by the Iowa Energy Center. Through a participation agreement with the project lender, the program provides up to half the cost of biomass or alternative fuels related fuel production projects, up to a maximum of \$1 million per facility. The AERLP funds are provided at 0% interest with the lender's funds bearing market interest. Fuel production facilities must be located in Iowa. (Reference <http://www.legis.iowa.gov/>Iowa Code 476.46)

Alternative Fuel Production Loans

The Value-Added Agricultural Products and Processes Financial Assistance Program offer a combination of forgivable and traditional low-interest loans for business projects involving the production of alternative fuels. The mixture of forgivable and low-interest loans varies according to the size of the award. Research and development projects are not eligible for this program.

Alternative Fuel Production Tax Credits

The Enterprise Zone Program (prior to July 1, 2014) and the High Quality Job Program offer state tax incentives to business projects for the production of biomass or alternative fuels. Depending on the program, incentives may include: an investment tax credit equal to a percentage of the qualifying investment, amortized over five years; a refund of state sales, service, or use taxes paid to contractors or subcontractors during construction; a doubling of the state's refundable research activities credit; additional funding for training new employees; and a local property tax exemption of up to 100% of the value added to the property.

Alternative Fuel Research and Development

The Iowa Power Fund, administered through the Office of Energy Independence, supports research, development, commercialization, and deployment of biofuels, renewable energy technologies, and energy efficiency technologies, while seeking to cut greenhouse gas emissions. The fund will educate the public about these technologies with the goal of increasing the demand for them. The \$100 million fund will be run by an 18-member board, with oversight from a seven-member committee of legislative and university leaders. (Reference Iowa Code 469.9)

State Laws and Regulations

Renewable Fuels Promotion and Education

The Iowa Office of Energy Independence (OEI) (which subsequently has become part of the Iowa Economic Development Authority) is directed to develop a renewable fuels marketing plan to promote the state's biofuels industry and present it to the governor and the general assembly by March 15, 2009. The plan will include research efforts to identify barriers to increased use of renewable fuels, such as infrastructure limitations and consumer awareness. Additionally, the OEI will conduct a direct marketing campaign that promotes the use of ethanol and biodiesel blends and targets owners of flexible fuel vehicles (FFV) and diesel powered vehicles, which will be completed by December 15, 2008. As part of this campaign, the OEI will provide consumers with information including, but not limited to, fueling station locations, cold weather handling and use of biodiesel, and engine warranty statements. (Reference House File 2689, 2008)

E85 Fuel Exclusivity Contract Regulations

Any motor fuel franchise contract entered into or renewed on or after May 30, 2006, must allow for the delivery of E85 at any time demanded by the motor fuel dealer or allow the dealer to purchase E85 from another source. If a contract is already in effect on May 30, 2006, and does not have an expiration date, the franchisor must provide for the delivery of E85 at times demanded by the franchisee or allow the franchisee to purchase those volumes of E85 at those times from another source. (Reference Iowa Code 323A)

Renewable Fuel Standard

For retailers who sell 200,000 or more gallons per year, the goal of the Iowa Renewable Fuel Standard is to replace 25% of gasoline in the state with biofuels (ethanol or biodiesel) by January 1, 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:

Year: % Biofuel Use	Year: % Biofuel Use
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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.225/gallon	B100 is taxable		\$0.19/gallon	Ethanol is taxable	

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

Biodiesel	Ethanol
\$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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	\$0.16 Per 100 Cubic Foot After 7/1/14, \$0.21 per gallon	
E85	\$0.19	Not Applicable
Electric Vehicles/Electricity	Not Applicable	
Gasoline Hybrid Vehicles	Same as gasoline	Not Applicable
Hydrogen	Not Applicable	Not Applicable
LNG (Liquefied Natural Gas)	\$0.225	
LPG (Liquefied Petroleum Gas)	\$0.20	
Methanol or “M85”	Not Applicable	Not Applicable
Other	Not Applicable	Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
Gasohol blending components	.19	Yes
BioDiesel blending components	.225	Yes

Section 13 How does your state handle contaminated fuel?

Iowa allows a refund of the motor fuel tax paid on fuel that has been contaminated. Form 82-011 Casualty Loss/Special Fuel Blending Error must be completed along with Form 82-006 Special Fuel Refund Claim along with any supporting documentation.

Section 14 Does your state allow bad debt credits?

Yes, the Supplier may be allowed a bad debt credit if the sale was made to an approved Iowa Eligible Purchaser.

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

Natural Gas

LPG (Propane): \$.23 per gallon

LNG: \$.26 per DGE

CNG: \$.24 per GGE

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

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

Section 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.

CNG tax rate changed to \$.24 per GGE and LNG changed to \$.26 per DGE effective July 1, 2014 as a result of 2014 House Bill 2057.

Section 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 was deposited for this incentive during fiscal year 2014. 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.

GVWR	Credit
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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.26/gallon	B100 is taxable	B100 is subject to the Environmental Assurance Fee (EAF). <i>(All other blends are subject to EAF and</i>	\$0.17/gallon for E85 \$0.24/gallon for all other blends	Not taxable until blended	Not taxable until blended

		<i>Petroleum Products Inspection Fee).</i>			
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Section 10-State Taxes Applicable to Imports of Ethanol and Biodiesel

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	\$.24/GGE	126.67 cubic feet or 5.66 pounds = 1 GGE
E85	\$.17/gallon	Not Applicable
Electric Vehicles/Electricity	Not Applicable	Not Applicable
Gasoline Hybrid Vehicles	\$.24/gallon	Not Applicable
Hydrogen	Not Applicable	Not Applicable
LNG (Liquefied Natural Gas)	\$.26/DGE	6.06 pounds = 1 DGE
LPG (Liquefied Petroleum Gas)	\$.23/gallon	Not Applicable
Methanol or “M85”	Not Applicable	Not Applicable
Other	Not Applicable	Not Applicable

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable
Blendstocks are not reportable or taxable until blended with a taxable fuel.		

Section 13 How does your state handle contaminated fuel?

Contaminated, destroyed or lost motor-vehicle fuel and special fuels are eligible for refund of motor fuel, tax per K.S.A. 79-3417, when the loss is 100 gallons or more at any one instance while such distributor is the owner and the loss was due to theft, leakage, fire, explosion, lightning, flood, storm or other cause beyond the control of the distributor.

The distributor shall notify the director in writing of such loss or destruction, the specific cause thereof, and the amount of motor-vehicle fuel or special fuel lost or destroyed, within 60 days from the date of the loss or destruction. Within 30 days after notifying the director of such loss or destruction such distributor shall file with the director an affidavit on oath, stating the full circumstances and amount of the loss or destruction along with supporting documentation such as bill of lading, insurance claim, police report, fire report, refinery weigh ticket and any other information requested by the director.

The director shall examine all such claims and determine the amount to which the claimant is entitled.

Section 14 Does your state allow bad debt credits?

Kansas does not allow for bad debt credits.

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, 2014 Gasoline's tax rate is \$0.311 per gallon.

Diesel: July 01 to September 31, 2014 Special Fuel's tax rate is \$0.281 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Taxed as a Special Fuel	5.66 lbs. or 126.67 cu ft equals one (1) gal.
E85	Taxed as Gasoline	Not Applicable
Electric Vehicles/Electricity	Not Applicable	Not Applicable
Gasoline Hybrid Vehicles	Not Applicable	Not Applicable
Hydrogen	Taxed as a Special Fuel	Not Applicable
LNG (Liquefied Natural Gas)	Taxed as a Special Fuel	6.06 lbs. equals one (1) gal.

LPG (Liquefied Petroleum Gas)	Taxed at the same rate as Gasoline	Not Applicable
Methanol or “M85”	Taxed at the same rate as Gasoline if blended or used wholly as a motor fuel.	Not Applicable
Other	Not Applicable	Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
Anything blended with gasoline	Gasoline tax rate	Yes when blended with gasoline subject to tax
Anything blended with special fuel	Special Fuel tax rate	Yes when blended with special fuel subject to tax

Section 13 How does your state handle contaminated fuel?

If contaminated fuel is sold, it is handled like the fuel type and either taxed or exempted per the fuel type statutes. Non-saleable situations are handled as a fuel loss using form [Statement of Claim for Accountable Loss of Motor Fuel - Form 72A078](#) .

Section 14 Does your state allow bad debt credits?

Bad debt is covered under dealers compensation as noted in Kentucky Revised Statute (KRS) 138.270(1)(b).

STATE OF LOUISIANA

Section 1-Contact Information

Agency: Louisiana Department of Revenue
Name: Shirley Bonaccorso
Street Address: 617 North Third Street
City, State Zip Code: Baton Rouge, LA 70802
Phone Number: (225) 219-2780
Fax Number: (225) 219-2759
E-mail Address: shirley.bonaccorso@la.gov

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

Louisiana Revised Statutes 47:818.1 - 818.104

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).

Southeast Louisiana Clean Fuel Partnership (www.cleanfuelpartnership.org)

Also see: www.afdc.energy.gov/afdc/laws/poc/LA

State Incentives

Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Tax Credit

Acts 2009, No. 469 repealed R.S. 47:38 and 287.757 and enacted R.S. 47:6035 dealing with alternative fuel vehicles. According to statute, any person or corporation purchasing qualified clean-burning motor vehicle fuel property shall be allowed a credit against their income tax liability. The credit shall be allowed against individual or corporate income tax for the taxable period in which the property is purchased and installed, if applicable. "Qualified clean-burning motor vehicle fuel property" is defined as equipment necessary for a motor vehicle to operate on an alternative fuel and shall not include equipment necessary for operation of a motor vehicle on gasoline or diesel.

Biodiesel Equipment and Fuel Tax Exemption

Certain property and equipment used to manufacture, produce, or extract unblended biodiesel, as well as unblended biodiesel used as fuel by a registered manufacturer, are exempt from state sales and use taxes. Unblended biodiesel is defined as B100 which meets the American Society of Testing and Materials (ASTM) standard D6751. These provisions expired June 30, 2012. (Reference LA RS 47:301(7)(j) and (10)(y)(i)).

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Taxable when used as a vehicle fuel – tax paid through Special Fuels decal	GGE
E85	Taxed same as gasoline	Not Applicable
Electric Vehicles/Electricity	No	
Gasoline Hybrid Vehicles	Gasoline used as fuel	Not Applicable
Hydrogen	No	Not Applicable
LNG (Liquefied Natural Gas)	Taxable when used as a vehicle fuel – tax paid through Special Fuels decal	GGE
LPG (Liquefied Petroleum Gas)	Taxable when used as a vehicle fuel – tax paid through Special Fuels decal	GGE
Methanol or “M85”	Taxable when used as a road vehicle fuel	Not Applicable
Other		Not Applicable

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 LA RS 47:818.101-104.

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
See list at IRS Reg. 48.4801-1(c)(3)*	\$.20 per gallon	Yes

*Per LA RS 47:818.2(33)

Section 13 How does your state handle contaminated fuel?

No statutory provisions addressing contaminated fuel.

Section 14 Does your state allow bad debt credits?

Yes. LA RS 47:818.22(C) provides:

C.(1) A supplier or permissive supplier may take a credit for any taxes that were not remitted in a previous period to the supplier or permissive supplier by a licensed distributor or licensed importer as required by R.S. 47:818.20. The supplier or permissive supplier is eligible to take the credit if the secretary is notified of the default within thirty days after the default occurs. If a license holder pays to a supplier or permissive supplier the tax owed, but the payment occurs after the supplier or permissive supplier has taken a credit on its return, the supplier or permissive supplier shall remit the payment to the secretary with the next monthly return after receipt of the tax.

(2) In the event that the credit to the supplier originates out of a failure to pay a destination state motor fuel tax on shipments removed for export under R.S. 47:818.14(C), the presumption as set forth in R.S. 47:818.11 shall be raised that the fuel was removed for use in this state and thus taxable. The secretary shall seek payment of the tax in a dual capacity both to protect the interests of this state and as the base state from which the shipment originated to assist the destination state in the reporting or collection of tax due upon the receipt of the fuel into that state.

STATE OF MAINE

Section 1-Contact Information

Agency: Maine Revenue Services

Name: Sara Lewis

Street Address: PO Box 1060

City, State Zip Code: Augusta ME 04332-1060

Phone Number: (207) 624-9608

Fax Number: (207) 287-6628

E-mail Address: sara.j.lewis@maine.gov

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules: Maine Revised Statutes Title 36, Part 5

Section 3-State Point of Taxation

Gasoline: Motor fuel is taxable to the ultimate consumer, but the final distributor is primarily responsible for paying tax to the State.

Diesel: See above

Aviation Fuel: See above

Jet Fuel: See above

Section 4-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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Taxable at .243	Per 100 cubic feet
E85	Taxable at .300	Not Applicable
Electric	Not taxed as motor fuel	

Vehicles/Electricity		
Gasoline Hybrid Vehicles	Gasoline tax rates	Not Applicable
Hydrogen	Taxable at .070	Per 100 cubic feet
LNG (Liquefied Natural Gas)	Taxable at .178	Per 100 cubic feet
LPG (Liquefied Petroleum Gas)	Taxable at .219	Per gallon
Methanol or "M85"	Taxable at combined rate	85%*.147(Methanol rate) + 15% of other fuel
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Clear fuel that is contaminated by dyed diesel is claimed on line 18a of the special fuel supplier return.

Section 14 Does your state allow bad debt credits?

Yes.

36 MRSA §2906-A provides a refund to a retail dealer for a portion of the tax paid to a distributor or importer, which tax shall be reported and paid to the State Tax Assessor by the distributor or importer pursuant to section 2906. The portion of the tax for which there is a refund entitlement is represented by tax paid on accounts of the retailer found to be worthless and actually charged off by the retailer, but if any such accounts are thereafter collected by the retailer, the tax recovered shall be paid within 30 days of recovery directly by the retailer to the State Tax Assessor.

36 MRSA §3214 allows a credit for tax paid on worthless accounts for the tax paid on sales made on credit and reported by a licensed supplier, wholesaler or retailer pursuant to section 3209 that are found to be worthless and actually charged off. The amount may be credited upon the tax due on a subsequent return. If those accounts are subsequently collected by the licensed supplier, wholesaler or retailer, a tax must be paid upon the amounts so collected. The credit must be reported on the return for the month in which the charge-off occurred.

STATE OF MARYLAND

Section 1-Contact Information

Agency: Comptroller of Maryland

Name: Chuck Ulm

Street Address: 80 Calvert Street

City, State Zip Code: Annapolis, MD 21401

Phone Number: (410)260-7278

Fax Number: (410)974-5564

E-mail Address: culm@comp.state.md.us

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules: Tax General Article Title 9 (Fuel Taxes) and Title 13 (Procedure); Business Regulation Title 10 (Motor Fuel and Lubricants)

Section 3-State Point of Taxation

Gasoline: First import or First sale(TG 9-314)

Diesel: Distributor level (TG 9-314)

Aviation Fuel: Aviation Gasoline- First Import or First sale(TG-314)

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

Section 4-State Tax Rates

Gasoline: .2740/gallon (effective 7/1/14)

Diesel: .2815/gallon (effective 7/1/14)

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, 2014 included in earlier section. The Transportation Infrastructure Investment Act of 2013 now indexes the motor fuel tax rates (except aviation fuel) to the annual change in the CPI and provides for an increasing sales and use tax equivalent rate through July 1, 2016.

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 and report accordingly. No refund would be needed.

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

Any Additional Comments?

Lots of product coming from Virginia into Maryland and then getting diverted back to Virginia. Requires amended tax returns for any late loads. State advised it's the party that diverts the product that is responsible to file amended returns.

Section 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). 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.2815/gallon	B100 is taxable	Subject to the Oil Spill Fee	\$0.2740/gallon	Ethanol is taxable	Subject to the Oil Spill Fee

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

Biodiesel	Ethanol
B100 is treated like diesel fuel. The tax rate is \$0.2815/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 \$0.2740/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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	yes	1 cubic foot multiplied by .00831 = 1 gallon of liquid
E85	yes	Not Applicable
Electric Vehicles/Electricity	no	
Gasoline Hybrid Vehicles	yes	Not Applicable
Hydrogen	yes	Not Applicable
LNG (Liquefied Natural Gas)	yes	100 cubic feet at 14.73 psi and 60 deg F = 1 gallon of liquid
LPG (Liquefied Petroleum Gas)	yes	Decitherms-divide by 9.1 Pounds-divide by 4.24
Methanol or “M85”	yes	Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Contaminated product may not be imported, exported, or moved without written approval of the Comptroller. Credit for sludge removed also requires proper documentation. See COMAR 03.03.01.11 for further information.

Section 14 Does your state allow bad debt credits?

No

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: 24 cents per gallon - fixed

Diesel: 24 cents per gallon - fixed

Aviation Fuel: 31.6 cents per gallon (3Q 14) – set quarterly

Jet Fuel: 15.8 cents per gallon (3Q 14) – set quarterly

Propane and other liquified gases 19.5 cents per gallon (3Q 14) – 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 obtaining 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?

No

Section 8-Alternative Fuels Incentives and Laws

Massachusetts Clean Cities Coalition State Incentives
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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.24/gallon	B100 is taxable	Subject to the Spill Fee	\$0.24/gallon	Ethanol is taxable	Subject to the Spill Fee

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

Biodiesel	Ethanol
B100 is treated like diesel fuel. The tax rate is \$0.24/gallon. Sales to licensed suppliers are tax free.	Ethanol is not taxed until blended with gasoline. The rate is \$0.24/gallon. Sales between licensed distributors/exporters are permitted.

Section 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
CNG (Compressed Natural Gas)	As Propane at 24¢ per gallon	4.23 lb = 1 gal.
E85		Not Applicable

Electric Vehicles/Electricity		Not Applicable
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen	As Propane at 24¢ per gallon	4.23 lb = 1 gal.
LNG (Liquefied Natural Gas)	As Propane at 24¢ per gallon	4.23 lb = 1 gal.
LPG (Liquefied Petroleum Gas)	As Propane at 24¢ per gallon	4.23 lb = 1 gal.
Methanol or “M85”		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

We have not yet addressed this question.

Section 14 Does your state allow bad debt credits?

No.

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), Detroit (www.nextenergy.org/industrgroups/clean_cities.asp), and Greater Lansing Area

(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

Biodiesel blends	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	No	
E85	Yes, Taxed as Gasoline	Not Applicable
Electric Vehicles/Electricity	No	
Gasoline Hybrid Vehicles	Yes, Taxed as Gasoline	Not Applicable
Hydrogen	No	Not Applicable
LNG (Liquefied Natural Gas)	No	
LPG (Liquefied Petroleum Gas)	Yes	
Methanol or “M85”	Yes, Taxed as Gasoline	Not Applicable
Other	Evaluated on a case-by-case basis	Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
All blendstocks classified as gasoline under MCL 207.1003(f)	\$.19	Yes
Butane	*Only taxed once blended	Is reportable regardless if

	with gasoline at the \$.19 per gallon rate. Not taxable as a standalone product.	taxed.

Section 13 How does your state handle contaminated fuel?

A refund can be obtained for tax paid on motor fuel that meets the requirements under MCL 207.1040.

Section 14 Does your state allow bad debt credits?

Yes, licensed suppliers can claim bad debt credits that qualify under MCL 207.1016.

STATE OF MINNESOTA

Section 1-Contact Information

Agency: Minnesota Department of Revenue

Name: Jeremy Neeck, Revenue Tax Specialist Principal

Street Address: 600 N. Robert ST

City, State Zip Code: St. Paul, MN 55146

Phone Number: 651-556-4728

Fax Number: 651-556-3107

E-mail Address: jeremy.neeck@state.mn.us

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

Minnesota Statute 296A: <https://www.revisor.mn.gov/statutes/?id=296a>

Minnesota Rules 8125: <https://www.revisor.mn.gov/rules/?id=8125>

Section 3-State Point of Taxation

Gasoline: 1st Licensed Distributor after the rack.

Diesel: 1st Licensed Distributor after the rack.

Aviation Fuel: 1st 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: \$0.15

Minnesota also has an inspection fee of \$0.001/gallon on all fuels.

Minnesota has a Clean Up Fee that is \$0.02/gallon on all products that is fund based and when the fund reaches a certain minimum level, the fee is collected for a 4 month period to replenish the fund.

Section 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.

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 1st 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	\$2.474 per 1000 cf	114.10
E85	\$0.2025	Not Applicable
Electric Vehicles/Electricity	N/A	N/A
Gasoline Hybrid Vehicles	N/A	Not Applicable
Hydrogen	N/A	Not Applicable
LNG (Liquefied Natural Gas)	\$0.171/gallon	1.65
LPG (Liquefied Petroleum Gas)	\$0.2135/gallon	N/A
Methanol or “M85”	N/A N/A	Not Applicable
Other	N/A	Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
Ethanol	.285	Yes
Biodiesel	.285	Yes
Any other blended product	.285	Yes

Section 13 How does your state handle contaminated fuel?

If a taxpayer has contaminated product, they must send a letter or email to petroleum.tax@state.mn.us reporting the following information: Date of contamination, products contaminated, total gallons contaminated, what was done with contaminated product and any other details that taxpayer feels is relevant to substantiate refund claim.

Section 14 Does your state allow bad debt credits?

No

STATE OF MISSISSIPPI

Section 1-Contact Information

Agency: Mississippi Department of Revenue

Name: Glenn Boyette

Street Address: 1577 Springridge Rd.

City, State Zip Code: Raymond, MS 39154

Phone Number: 601-923-7151

Fax Number: 601-923-7165

E-mail Address: glenn.boyette@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

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: 1st sale to distributor is exempt, exports exempt, carrier must report diversions.

Section 8-Alternative Fuels Incentives and Laws

State Incentives

Biofuels Production Incentive

No state incentives funded.

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	.18 cents	Per 100 CF
E85	.18 cents	Not Applicable
Electric Vehicles/Electricity	None	
Gasoline Hybrid Vehicles	.18 cents on fuel only	Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)		
LPG (Liquefied Petroleum Gas)	.18 cents per CCF	Per 100 CF currently
Methanol or “M85”		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Mississippi Code allows for credit of contaminated fuel by allowing credit to the distributor of the contain

Section 14 Does your state allow bad debt credits?

No

STATE OF MISSOURI

Section 1-Contact Information

Agency: Missouri Department of Revenue

Name: Keith Gast

Street Address: 301 W. High Street

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 or excise@dor.mo.gov

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules: Fuel Tax: Chapter 142 RSMo.; Code of State Regulations-Title 12, Division 10, Chapters 6 and 7; Aviation Fuel: Chapter 155 RSMo.; Fuel Fees: Chapter 414 RSMo.(Agriculture Inspection); Chapter 319 RSMo.(Underground Storage)

Section 3-State Point of Taxation

Gasoline: Terminal Rack or upon import

Diesel: Terminal Rack or upon import

Aviation Fuel: Terminal Rack or upon import

Jet Fuel: Terminal Rack or upon import – subject to fees only

Section 4-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) 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. 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 (EPA) credits to cover the incremental cost of purchasing fuel containing B20 or higher biodiesel blends for use by state fleet vehicles. (Reference Missouri Revised Statutes 414.407)

Alternative Fuel Tax

The \$0.17 per gallon motor fuel tax does not apply to passenger motor vehicles, certain buses, or commercial motor vehicles that are powered by an alternative fuel. Instead, the owners or operators of such vehicles are required to pay an annual alternative fuel decal fee as follows (certain restrictions apply):

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. Motor vehicles licensed as historic which are powered by alternative fuel are exempt from the fuel tax and the alternative fuel decal requirement. Reference Missouri Revised Statutes 142.803, 142.869 and 301.131)

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Considered an alternative fuel (See Section 8 Alternative Fuel)	
E85		Not Applicable
Electric Vehicles/Electricity		Not Applicable
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	Considered an alternative fuel (See Section 8 Alternative Fuel)	
LPG (Liquefied Petroleum Gas)	Considered an alternative fuel (See Section 8 Alternative Fuel)	

Methanol or “M85”		Not Applicable
Other		Not Applicable

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	\$0.0518 per gallon	a) The total tax due on compressed natural gas is computed according to the formula provided in subsection (2)(b). (b) $T = (R/V) \times TV$, where: (i) T is the total tax due;

		<p>(ii) R is 7 cents;</p> <p>(iii) V is 120 cubic feet of compressed natural gas at 14.73 pounds per square inch absolute base pressure; and</p> <p>(iv) TV is the total volume of compressed natural gas placed into the supply tank of a motor vehicle.</p>
E85	\$.2775 per gallon	Not Applicable
Electric Vehicles/Electricity	None	
Gasoline Hybrid Vehicles	.2775 per gallon of gasoline.	Not Applicable
Hydrogen	None	Not Applicable
LNG (Liquefied Natural Gas)	Currently taxed on a Gasoline Gallon Equivalent	
LPG (Liquefied Petroleum Gas)		<p>$T = (C/G) \times TG$, where:</p> <p>(i) T is the total tax due;</p> <p>(ii) C is 5.18 cents;</p> <p>(iii) G is 1 gallon of liquefied petroleum gas; and</p> <p>(iv) TG is the total gallons of liquefied petroleum gas placed into the supply tank of a motor vehicle.</p>
Methanol or "M85"		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Blendstocks of any kind would be taxed in Montana when blended with gasoline or special fuel.

Section 13 How does your state handle contaminated fuel?

Montana Administrative Rule [18.9.311](#) LOST OR DESTROYED GASOLINE, SPECIAL FUEL, OR AVIATION FUEL

(1) The department of transportation reserves the right to demand from a person claiming a refund under the provisions of [15-70-221](#) through [15-70-226](#), and [15-70-356](#) through [15-70-365](#), MCA, that positive proof be submitted of the exact amount of the loss and facts indicating the gasoline, special fuel, or aviation fuel was never used on the highway or in the air. In offering this proof, the following procedures must be strictly adhered to by the person claiming the refund:

(a) The claim for refund must accompany the original invoice covering the purchase of gasoline, special fuel, or aviation fuel.

(b) A notarized statement citing the circumstances covering the loss and how the amount of gasoline, special fuel, or aviation fuel lost was determined.

(c) Substantiating records must be available to reveal and account for the amount of gasoline, special fuel, or aviation fuel lost.

(d) Affidavits from individuals witnessing or involved in the loss of gasoline, special fuel, or aviation fuel must be obtained and available to the department.

(2) The distributor may not claim a refund for the petroleum cleanup fee.

Section 14 Does your state allow bad debt credits?

Yes – MCA's 15-70-221 and 15-70-356

A distributor is entitled to a credit for the tax paid to the department on those sales of gasoline or special fuel with a tax liability of \$200 or greater for which the distributor has not received consideration from or on behalf of the purchaser and for which the distributor has not forgiven any liability. The distributor may not have declared the accounts of the purchaser worthless more than once during a 3-year period, and the distributor must have claimed those accounts as bad debts for federal or state income tax purposes.

(b) If a credit has been granted under this subsection (3), any amount collected on the accounts that were declared worthless must be reported to the department and the tax due must be prorated on the collected amount and must be paid to the department.

(c) The department may require a distributor to submit periodic reports listing accounts that are delinquent for 90 days or more.

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

Gasoline: Jan 1, 2014 – Jun 30, 2014	26.4 cents per gallon
Jul 1, 2014 – Dec 31, 2014	26.4 cents per gallon (subject to change semiannually)

Diesel:	Jan 1, 2014 – Jun 30, 2014	26.4 cents per gallon
	Jul 1, 2014 – Dec 31, 2014	26.4 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.264/gallon effective 1/1/14 (remained the same on 7/1/14)	B100 is taxable	Subject to the Environmental Fee	\$0.264/gallon effective 1/1/14 (remained the same on 7/1/14)	Ethanol is taxable	Subject to the Environmental Fee

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

Ethanol	Biodiesel
Ethanol produced for use as a blending component is included in the statutory definition of motor vehicle fuel and is taxed like gasoline. Effective Jan 1, 2014, the tax rate is \$0.264/gallon. Ethanol is also subject to petroleum release remedial action fee (PRF) at a rate of \$0.009/gallon. Sales by a NE licensed producer to a NE licensed distributor may be tax free. Imports by a licensed distributor placed in storage are subject to tax. Tax-free sales by the distributor from the tax-paid storage are addressed on the distributor return.	B100 is included in the statutory definition of diesel fuel and is taxed like diesel. Effective Jan 1, 2014, the rate is \$0.264/gallon. B100 is also subject to PRF at a rate of \$0.003/gallon. Sales to a licensed distributor may be tax free. Imports by a licensed distributor placed in storage are subject to tax. Tax-free sales by the distributor from the tax-paid storage are addressed on the distributor return.

Section 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
CNG (Compressed Natural Gas) *	Yes (same rate as mvf and diesel)	
E85	Yes (same rate as mvf and diesel)	Not Applicable
Electric Vehicles/Electricity	Yes - \$75 fee per vehicle - collected by Department of Motor Vehicles	
Gasoline Hybrid Vehicles	Yes (gasoline portion taxed)	Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas) *	Yes (same rate as mvf and diesel)	
LPG (Liquefied Petroleum Gas) *	Yes (same rate as mvf and diesel)	
Methanol or “M85”	Taxable if blended with motor fuels or placed directly into the supply tank of a licensed motor vehicle.	Not Applicable
Other	Fuel additives used to enhance engine performance, prevent fuel line freezing or clogging are	Not Applicable

	not taxable if placed directly into the supply tank of a motor vehicle in quantities of one quart or less.	
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- Included in our definition of compressed fuel, which also includes butane, and any other type of compressed gas or compressed liquid suitable for fueling a motor vehicle.

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
See comment below		

Any product that is blended with either gasoline or undyed diesel for use in a licensed motor vehicle is taxable at the same rate as the gasoline and diesel.

Section 13 How does your state handle contaminated fuel?

If you owned Nebraska tax-paid fuel that was subsequently destroyed, or accidentally contaminated with another type of fuel, you may file a refund claim. Motor fuels tax will not be refunded on undyed diesel which was intentionally mixed with dyed diesel. – see [Nebraska Non-Ag Use Motor Fuels Tax Refund Claim, Form 84](#).

Section 14 Does your state allow bad debt credits?

No. In consideration of receiving the commission, the producer, supplier, distributor, wholesaler, or importer shall not be entitled to any deductions, credits, or refunds arising out of such producer's, supplier's, distributor's, wholesaler's, or importer's failure or inability to collect any such taxes from any subsequent purchaser of motor fuels.

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 360A, 365 and 366. The Administrative Codes are covered in NAC 360A, 365 and 366. County taxes are covered by NRS 373 and Inspection and Cleanup Fees are covered in NRS 590.

Section 3-State Point of Taxation

Gasoline: Sales made to end user or retailer. Sales between licensed suppliers are tax-free

Diesel: Sales made to end user or retailer. Sales between licensed suppliers are tax-free

Aviation Fuel: Sales made to end user or retailer. Sales between licensed suppliers are tax-free

Jet Fuel: Sales made to end user or for self-consumption. Sales between licensed suppliers are tax-free

Section 4-State Tax Rates

Gasoline: \$0.23 per gallon; counties are able to impose county option taxes. 2 counties have enacted indexing based upon the PPI (Producer Price Index)

Diesel: \$0.27 per gallon

Aviation Fuel: \$0.02 per gallon; counties are able to impose county option taxes

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), 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
B100 is treated like diesel fuel. The tax rate is \$0.27/gallon. Sales to licensed distributors are tax free. If fuel is dyed, there are no excise taxes. Subject to Cleanup Fee at time of importation and/or refining.	Ethanol is treated like gasoline, is taxed upon blending. The tax rate is \$0.23/gallon. Subject to Cleanup and Inspection Fees at time of importation. 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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Y	126.67 cubic feet or 5.660 pounds of natural gas shall be deemed to equal 1 gallon of special fuel
E85	Y	Not Applicable
Electric Vehicles/Electricity		Not Applicable
Gasoline Hybrid Vehicles		Not Applicable

Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	Y	Not Applicable
LPG (Liquefied Petroleum Gas)	Y	125 cubic feet of LPG shall be deemed to equal 1 gallon of special fuel
Methanol or “M85”	Yes, when blended	Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
Ethanol, methanol, transmix, when blended	\$0.23 plus county taxes	Y
Any other products when blended	\$0.23 plus county	Y

Section 13 How does your state handle contaminated fuel?

Suppliers have to pay all applicable taxes and fees. The 2% collection allowance is used to cover these types of instances. Taxes and fees are also due if a load of fuel is lost due to an accident, etc.

Section 14 Does your state allow bad debt credits?

No.

STATE OF NEW HAMPSHIRE

Section 1-Contact Information

Agency: Department of Safety

Name: Scott R. Bryer

Street Address: 33 Hazen Drive

City, State Zip Code: Concord, NH 03305

Phone Number: 603 223-8081

Fax Number: 603 271-6758

E-mail Address: Scott.Bryer@dos.nh.gov

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

Revised Statutes Annotated:

Motor Vehicle Road Tolls Chapter 260:30 -260:65-e

<http://www.gencourt.state.nh.us/rsa/html/XXI/260/260-mrg.htm>

Statutory Definitions:

<http://www.gencourt.state.nh.us/rsa/html/XXI/259/259-mrg.htm>

Administrative Rules:

http://www.gencourt.state.nh.us/rules/state_agencies/saf-c300.html

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)

Product Type Law Reference>>>	Road Toll*** RSA 260:32	Airway Tolls RSA 422:34	ODD RSA 146- D	OPC RSA 146- A	Auto Oil RSA 147- B:12	Motor Oil RSA 146- F	Fuel Oil RSA 146- E	Total Toll & Fees
Gasoline	\$0.222		\$0.015	\$0.00125				\$0.23845
Special Fuel - Undyed	\$0.222		\$0.015	\$0.00125				\$0.23845
Special Fuel - Dyed			\$0.015	\$0.00125				\$0.01625
Biodiesel *	\$0.222		\$0.015	\$0.00125				\$0.23845
Aviation Gas		\$0.04	\$0.015	\$0.00125				\$0.05625
Jet Fuel - Part 121		\$0.005		\$0.00125				\$0.00625
Jet Fuel - Private		\$0.02		\$0.00125				\$0.02125
Heating Oils **				\$0.00125			\$0.0125	\$0.01375
Motor Oils				\$0.00125	\$0.02	\$0.04		\$0.06125

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

** Fuel Oil Discharge Fee increased to \$0.0125 effective 7/1/2013

***Prior to 7/1/2014, the Road Toll was \$0.18.

Section 5-Rate Updates

Please list any rate updates for your state: Effective July 1, 2014 the Road Toll rate for gasoline and special fuel increased \$0.042 per gallon with an overall rate of \$0.222 per gallon.

Effective January 1, 2015 there will be a Road Toll rate of \$0.222 on alternative fuel of \$0.222 per motor fuel gallon equivalent. Prior to the effective date of this legislation there is currently no tax on alternative fuels.

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). 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.222/gallon	B100 is taxable	Subject to the Oil Discharge Fee and the Oil Pollution Fee	\$0.222/gallon	Ethanol is taxable	Subject to the Oil Discharge Fee and the Oil Pollution Fee

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

Biodiesel	Ethanol
B100 is treated like diesel fuel. The tax rate is \$0.222/gallon. Sales to licensed distributors are tax free. Dyed B100 is not reportable.	Ethanol is treated like gasoline. The tax rate is \$0.222/gallon. Can be sold tax free to other registered distributors.

Section 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
CNG (Compressed Natural Gas)	Yes, but not until January 1, 2015	\$0.222 per Gasoline Gallon Equivalent
E85		Not Applicable
Electric Vehicles/Electricity		Not Applicable
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	Yes, but not effective until January 1, 2015	\$0.222 per Diesel Gallon Equivalent
LPG (Liquefied Petroleum Gas)	Yes, but not effective until January 1, 2015	\$0.222 per Gasoline Gallon Equivalent
Methanol or “M85”		Not Applicable
Other		Not Applicable

Note: The statute requires the Department to adopted administrative rules defining the applicable conversion rates for the motor fuel gallon equivalent for compressed natural gas, liquid natural

gas and propane based upon nationally recognized standards for weight and measures. At the time of release of this document these administrative rules had not been finalized.

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

NH RSA 260:38 paragraph II states: “The department shall allow, upon proper proof, any losses due to any catastrophe or extraordinary circumstances. A licensed distributor shall report immediately to the road toll administration any losses sustained by the distributor through fire, accident, or unavoidable calamity, in order that the road toll administration may make any investigation it may deem necessary. In such cases, the distributor shall not delay reporting the loss until the filing of the next monthly report. Failure to report any losses promptly may result in the refusal of the road toll administration to allow credit for such losses against the distributor's road toll liability.”

Section 14 Does your state allow bad debt credits?

No.

STATE OF NEW JERSEY

Section 1-Contact Information

Agency: Division of Taxation

Name: Jack Griffiths

Street Address: 50 Barrack St.

City, State Zip Code: Trenton, NJ 08695

Phone Number: 609-633-8536

Fax Number: 609-292-2863

E-mail Address: Jack.Griffiths@treas.nj.gov

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules: 54:39-101 et.al

Section 3-State Point of Taxation

Gasoline: Terminal

Diesel: Terminal

Aviation Fuel: Terminal

Jet Fuel: Terminal

Section 4-State Tax Rates

Gasoline: .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 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:

Device(s)	Cost Coverage	Funding Ceiling
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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

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

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

N.J.S.A. 54:31-112 b. (6) - Motor fuel on which tax has been paid that is later contaminated in a manner making it unsuitable for taxable use is eligible for a refund or credit. The refund or credit is limited to the remaining portion of taxed fuel in the contaminated mixture and is conditioned upon submitting to the director adequate documentation that the contaminated mixture was subsequently used in an exempt manner.

Section 14 Does your state allow bad debt credits?

In one situation the State will allow a credit for a bad debt. Pursuant to N.J.S.A. 54:39-121, Qualified Distributors may delay remittance of the tax to their Suppliers until the 20th day of the month following the taxable event. The Supplier must remit to the State the tax due on the 22nd day of the month following the event. For a Supplier to be eligible for the credit the Supplier shall provide within 20 business days of the date they were entitled to collect the tax notice to the State of a failure of the Distributor to remit the tax. A Supplier is allowed a credit against their tax payable in the amount of tax liability owed by that Distributor. This includes taxes remitted by the Supplier and not collected from the Distributor. This also includes the amount of tax payable accrued on sales between the date the tax should have been remitted to the Supplier and the date the Supplier notified the State of the default. The Supplier may only take this credit once per Distributor, unless the State notifies the Supplier that the Distributor is qualified once again to make deferred payments of tax.

STATE OF NEW MEXICO

Section 1-Contact Information

Agency: New Mexico Taxation & Revenue Department

Name: Leslie Montgomery

Street Address: 1200 S St Francis Drive or PO Box 630

City, State Zip Code: Santa Fe, NM 87504-0630

Phone Number: 505-827-9871

Fax Number: 505-827-9801

E-mail Address: Leslie.Montgomery@state.nm.us

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

www.tax.newmexico.gov

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: 1st 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: See Alternative Fuel information below

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

HB 0030 made changes to the Alternative Fuel Tax Act:

- The option to pay alternative fuels excise tax annually for LNG and CNG is no longer available;
- The excise tax rates for LNG and CNG are modified, and definitions for "gallons" are changed. Section 7-16B-4 1978 NMSA; Imposition and rate of tax; denomination as alternative fuel excise tax states in part..... For each gallon of alternative fuel distributed in New Mexico, the tax imposed by Subsection A of this section shall be:
 - (5) for the period beginning July 1, 2014 and thereafter:
 - a) for alternative fuel that is compressed natural gas, thirteen and three-tenths cents (\$.133) per gallon;

(b) for alternative fuel that is liquefied natural gas, twenty and six-tenths cents (\$.206) per gallon; and

(c) for alternative fuel not described in Subparagraph (a) or (b) of this paragraph, twelve cents (\$.12) per gallon.

(d) Alternative fuel purchased for distribution shall not be subject to the alternative fuel excise tax at the time of purchase or acquisition, but the tax shall be due on any alternative fuel at the time it is dispensed or delivered into the supply tank of a motor vehicle that is operated on the highways of this state."

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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 st 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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	.133 per gallon	
E85	Same as Gasoline	Not Applicable
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	.206 per gallon	

LPG (Liquefied Petroleum Gas)	.12 per gallon	
Methanol or “M85”		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Request a refund in writing within 30 days.

Section 14 Does your state allow bad debt credits?

No

STATE OF NEW YORK

Section 1-Contact Information

Agency: New York State Tax Department

Name: William Casey

Street Address: Bldg 9, room 208-Harrison State Office Campus

City, State Zip Code: Albany, New York 12227

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 + 18.4 cent petroleum business tax + 8 cent fixed State sales tax

Diesel: rates all per gallon: 8 cent excise + 16.65 cent petroleum business tax + 8 cent fixed State sales tax

Aviation Fuel: 7.3 cents per gallon

Jet Fuel: 7.3 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?

N/A

What products are subject to the diversion requirement?

N/A

Diversion Requirements

The customer would not be able to obtain a refund.

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

Supplier must request refund.

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

Supplier can credit/rebill

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

N/A

Any Additional Comments?

Section 8-Alternative Fuels Incentives and Laws

New York is the proud home of the Capital District (Albany) Clean Communities (www.cdtempo.org/cdcc/cdcc.htm), Clean Communities of Central New York, Genesee Region Clean Communities (www.grcc.us), Greater Long Island Clean Cities Coalition, Inc. (www.gliccc.org), New York City and Lower Hudson Valley Clean Communities, and Clean Communities of Western New York, Inc. (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/mutlitax/m13_5c_3i.pdf

Biofuel Production Tax Credit

Biofuel producers in New York State are eligible for a state tax credit of up to \$0.15 per gallon of biodiesel (B100) or ethanol produced after the production facility has produced and made available for sale 40,000 gallons of biofuel per year. The credit is capped at \$2.5 million per taxpayer per taxable year, and available for no more than four consecutive taxable years per production facility. (Reference New York Tax Law 28) . Effective for tax years beginning before January 1, 2020.

Alternative Fuel Sales

Sellers of alternative fuels are eligible for a full exemption from the State's excise tax, petroleum business tax (PBT) and State & local sales taxes for fuel products identified as E-85 (85 percent ethanol / 15 percent gasoline), compressed natural gas (CNG) and hydrogen, when suitable for use in a motor vehicle engine.

Sellers are also eligible for reduced tax rates under the excise tax and PBT for fuel product identified as B-20 [20 percent bio-product (e.g. soybean oil), 80 percent diesel fuel]. The rate reduction will be 20 percent under both taxes. Further, the State sales tax on B-20 will be imposed at 80 percent of the fixed cents per gallon rate applicable for motor fuels under this tax. Local sales tax will be imposed on 80 percent of the receipts from the retail sale of B-20. These alternative fuel sales exemption provisions will sunset on September 1, 2016.

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](#)

Phone:716-435-5261

billpauly@adelphia.net

Alt Contact

Coordinator:Craig Jackson

c/o Cobey Inc.

1 Ship Canal Parkway

Buffalo, NY 14218

Phone:716-362-9543

Cell:716-392-1905

Fax:716-362-9551

Boundaries:Counties: Erie, Niagara; City of Buffalo

<http://www.cleancommunitiesofwny.org/>

Genesee Region (Rochester)

Coordinator:[David Keefe](#)

Phone:585-301-2433

dkeefe@grcc.us

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

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

Central New York (Syracuse)

Coordinator:[Barry Carr](#)

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: [Jennifer A. Ceponis](#)

Capital District Clean Communities Coalition

1 Park Place, Albany, NY 12205

jceponis@cdtcmppo.org

Phone:518-458-2161

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

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

Empire Clean Cities (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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.4565/gallon	B100 is taxable when used in a motor vehicle.	Subject to the Petroleum Business Tax and Prepaid Sales Tax in Region 1, 2 or 3. Region 2 rate shown	\$0.474/gallon	Ethanol is taxable	Subject to the Petroleum Business tax, Prepaid Sale Tax in Region 1, 2 or 3 and the Petroleum Testing Fee. Region 2 rate shown

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

Biodiesel	Ethanol
B100 is taxed like diesel fuel when used in a motor vehicle. So tax is imposed at tax rate of \$0.4565/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 \$0.474/gallon. The full tax rate applies on import and should be charged down the chain. The product E85 is exempt from all NYS Taxes when delivered to retail filling station.

Section 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
CNG (Compressed Natural Gas)		
E85		Not Applicable
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)		
LPG (Liquefied Petroleum Gas)		

Methanol or “M85”		Not Applicable
Other		Not Applicable

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

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) 814-1100

Fax Number: (919) 715-8113

E-mail Address: 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: 36.5 cents per gallon excise tax and .0025 cents per gallon inspection tax

Diesel: 36.5 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

Pursuant to North Carolina General Statutes § 105-449.93(b), a licensed distributor receives a percentage discount of 1% of the amount of tax payable for paying taxes due to a supplier on time.

Pursuant to North Carolina General Statutes § 105-449.97(b), a licensed supplier that files and pays tax to the State on time receives an administrative discount of one-tenth of one percent (0.1%) of the amount of tax payable to the State as the trustee, not to exceed \$8,000.00 per month.

Pursuant to North Carolina General Statutes § 105-449.97(c), a licensed supplier receives a percentage discount of 1% of the amount of tax payable for paying taxes to a supplier on time when product was sold to an unlicensed distributor or others not entitled to the 1% discount allowed under North Carolina General Statutes § 105-449.93(b).

Section 7-State Diversion Requirements

Diversion Required: Yes

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

North Carolina General Statutes §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 diversion number must be received authorizing the diversion and the change in destination must be written on the shipping document.

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

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 form Gas-1259 to report the diversion.

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

No credit/rebill. Supplier should report the sale as it occurred based on the bill of lading. The distributor would file the form Gas-1259 to report the diversion.

Any Additional Comments?

The purchaser is liable for any tax due as a result of a diversion to a state other than that which was indicated to the terminal/bulk plant operator.

Section 8-Alternative Fuels Incentives and Laws

North Carolina is the proud home of the Triangle (www.trianglecleancities.org) and Centralina (www.4cleanfuels.com) Clean Cities Coalitions.

State Incentives

Biofuels Industry Development

The North Carolina Green Business Fund was established to provide grants to private businesses with fewer than 100 employees, nonprofit organizations, local governments, and state agencies to encourage the expansion of small and medium sized businesses to help grow a green economy. One of the fund's priority areas is the development of the biofuels industry in the state. The Department of Commerce may make grants available to maximize development, production, distribution, retail infrastructure, and consumer purchase of biofuels. (Reference [House Bill 1473](#), 2007, and [North Carolina General Statutes](#) 143B-437.4)

Alternative Fuel Production Tax Credit

A tax credit is available for the processing of biodiesel, 100% ethanol, or ethanol/gasoline blends consisting of at least 70% ethanol. The credit is equal to 25% of the cost of constructing and equipping the facility and **a facility must be placed in service before January 1, 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)

Reduce Diesel Emission Grants

Grants from the Department of Environment and Natural Resources, Division of Air Quality, are available periodically to provide incentive funding for projects that reduce diesel emissions.

Alternative Fuel and Alternative Fuel Vehicle (AFV) Fund

The State Energy Office administers an energy credit banking and selling program which enables the state to use moneys generated by the sale of EAct 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 EAct 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 EAct credits generated by each. For the purposes of this program, the definition of alternative fuel includes biodiesel (minimum of 20% biodiesel or B20), ethanol (minimum of 85% ethanol or E85), compressed natural gas, propane, and electricity, and includes hybrid electric vehicles. The Fund also covers additional projects approved by the Energy Policy Council. (Reference [North Carolina General Statutes](#) 143-58.4, 143-58.5, 143-341(8)i, and 136-28.13)

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$.365/gallon	<p>Effective 10/01/2014: B100 is taxable when removed from the storage facility at the production location or upon importation into the State.</p> <p>Prior to 10/01/2014: B100 is taxable upon blending or when used for a highway purpose.</p>	Subject to the Inspection Fee	\$.365/gallon	Ethanol is taxable when removed from the storage facility at the production location or upon importation into the State.	Subject to the Inspection Fee

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

Biodiesel			Ethanol		
\$.365/gallon	<p>Effective 10/01/2014: B100 is taxable upon importation into the State.</p> <p>Prior to 10/01/2014:</p>	Subject to the Inspection Fee	\$.365/gallon	Ethanol is taxable upon importation into the State.	Subject to the Inspection Fee

	B100 is taxable upon blending or when used for a highway purpose.				
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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
CNG (Compressed Natural Gas)	Yes; 105-449.130	Gas gallon equivalent: 5.66 lbs./gallon or 126.67 cf/gallon
E85	Yes	Not Applicable
Electric Vehicles/Electricity	No	Not Applicable
Gasoline Hybrid Vehicles	Yes	Not Applicable
Hydrogen	Yes; 105-449.130	.592 lbs./gallon
LNG (Liquefied Natural Gas)	Yes; 105-449.130	Diesel gallon equivalent: 6.06 lbs./gallon
LPG (Liquefied Petroleum Gas)	Yes; 105-449.130	4.22 lbs./gallon (propane)
Methanol or “M85”	Yes	Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

North Carolina General Statute § 105-449.105(c) allows a monthly refund of the amount of tax paid on certain accidental mixes. A Claim for Refund of Taxes, Form NC-19, should be filed to obtain this refund.

Section 14 Does your state allow bad debt credits?

No. North Carolina does not allow bad debt credits.

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)
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

State Incentives:

Biofuels Loan Program

Effective August 1, 2007, the Biofuels Partnership in Assisting Community Expansion (PACE) Loan Program will provide a 5% interest buy down to the following: biodiesel, ethanol, or green diesel production facilities; livestock operations feeding byproducts of a biodiesel, ethanol, or green diesel facility; biofuels retailers for refueling infrastructure installation; and grain handling facilities which provide condominium storage of grain used in biofuels production. Qualified ethanol, biodiesel, and green diesel production facilities must be located in North Dakota and ownership must consist of agricultural producers holding at least 10% of the ownership interest in the facility or residents of the state owning at least 50% of the facility. A biodiesel production facility must produce biodegradable, combustible, liquid fuel that is derived from vegetable oil or animal fat and is suitable for blending with diesel fuel for use in internal combustion diesel engines. A green diesel production facility must produce fuels from nonfossil renewable resources, including agricultural or silvicultural plants, animal fats, residue, and waste generated from the production, processing, and marketing of agricultural products, silvicultural products, and other renewable resources. An ethanol production facility must produce agriculturally-derived denatured ethanol that is suitable for blending with a petroleum product for use in internal combustion engines. A recipient of Biofuels PACE loans is not eligible for regular PACE loans. (Reference Senate Bill 2180, 2007, and North Dakota Century Code 17-03)

Biodiesel or Green Diesel Sales Equipment Tax Credit

The state of North Dakota offers a five-year income tax credit for equipment that enables a facility to sell diesel fuel containing at least 2% biodiesel or green diesel by volume. The tax credit is worth up to 10% per year, for up to five years, of the biodiesel or green diesel seller's direct costs incurred to adapt or add equipment to a facility. The credit is limited to \$50,000 in the cumulative amount of credits for all taxable years. Biodiesel or green diesel fuel must meet the specifications adopted by the American Society for Testing and Materials (ASTM). (Reference North Dakota Century Code 57-38-01.23)

Biodiesel or Green Diesel Production Equipment Tax Credit

A corporate income tax credit is available in the amount of 10% per year for five years of the taxpayer's direct costs incurred to adapt or add equipment to retrofit an existing facility or adapt a new facility in the state for the purpose of producing or blending diesel or green diesel fuel containing at least 2% biodiesel or green diesel fuel by volume. Eligible direct costs must be incurred after December 31, 2002, and a taxpayer is limited to \$250,000 in the cumulative amount of credits for all taxable years. Biodiesel or green diesel fuel must meet the specifications adopted by the American Society for Testing and Materials (ASTM). For years beginning after December 31, 2008, this credit was expanded to also include costs associated with constructing or retrofitting a facility to crush soybeans or canola. (Reference North Dakota Century Code 57-38-30.6)

Ethanol Production Incentive

The ethanol production incentive program provides funds for an incentive of \$0.40 per gallon for ethanol produced and sold in North Dakota. An ethanol plant that was operational before July 1, 1995, with a production capacity of less than 15 million gallons is eligible for up to \$900,000 in production incentives during the 2005-07 biennium. An ethanol plant that was operational before July 1, 1995, and produced at least 15 million gallons in the previous fiscal year may receive up

to \$450,000 in production incentives during the 2005-07 biennium. The cumulative state ethanol payment amount received by any single ethanol production facility may not exceed \$10,000,000. (Reference North Dakota Century Code 17-02-01)

Quarterly Ethanol Production Incentive

The North Dakota Division of Community Services' Office of Renewable Energy and Energy Efficiency will provide a quarterly production incentive to each eligible facility based on a) the average North Dakota price per bushel of corn received by farmers during the quarter, and b) the average North Dakota rack price per gallon of ethanol during the quarter. The cumulative state ethanol payment amount received by any single ethanol production facility may not exceed \$10,000,000. (Reference North Dakota Century Code 17-2-03 through 17-2-05)

Biodiesel Income Tax Credit

A licensed fuel supplier who blends biodiesel or green diesel into fuel in North Dakota is entitled to an income tax credit in the amount of \$0.05 per gallon (3.79 liters) of biodiesel or green diesel fuel comprised of at least 5% biodiesel or green diesel. (Reference North Dakota Century Code 57-38-01.22)

Alternative Fuel Tax Rates

A special excise tax rate of 2% is imposed on the sale of propane and a tax of \$0.04 per gallon is imposed on all sales of diesel fuel and other special fuels previously exempted. 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.23/gallon	B100 is taxable	Subject to the Inspection Fee \$.00025/Gal	\$0.23/gallon	Ethanol is taxable	Subject to the Inspection Fee \$.00025/Gal

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

Biodiesel	Ethanol
The tax rate is \$0.23/gallon. B100 is taxed like diesel. The tax rate is \$0.23/gallon for clear on-road use and \$0.04/gallon for dyed off-road use.	Agriculturally derived ethanol used in its pure state is included in the statutory definition of motor vehicle fuel and is taxed like gasoline. The tax rate is \$0.23/gallon.

Section 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
CNG (Compressed Natural Gas)	The tax rate is \$0.23 per equivalent gallon.	An equivalent gallon is equal to 120 cubic feet of compressed natural gas
E85	The tax rate is \$0.23 per gallon.	Not Applicable
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles	The tax rate is \$0.23 per gallon.	Not Applicable
Hydrogen	The tax rate is \$0.23 per equivalent gallon.	Not Applicable
LNG (Liquefied Natural Gas)	The tax rate is \$0.23 per gallon.	
LPG (Liquefied Petroleum Gas)	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.	
Methanol or “M85”	The tax rate is \$0.23 per gallon.	Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Fuel contaminations are addressed on a case by case basis. If the fuel is returned for refining and is replaced with the same volume of proper fuel, no additional tax is due. If the fuel is not returned for refining the tax is due on the fuel that was delivered.

Section 14 Does your state allow bad debt credits?

Credit can be taken for worthless accounts if both the tax and the cost of the fuel are written off for income tax purposes. If any of the account is later collected the applicable tax must be paid.

STATE OF OHIO

Section 1-Contact Information

Agency: Ohio Department of Taxation
Excise and Energy Division

Name: Matthew Long

Street Address: 4485 Northland Ridge Blvd

City, State Zip Code: Columbus, OH 43229

Phone Number: 614.644-5847

Fax Number: 206-350-6722

E-mail Address: Matthew.Long@tax.state.oh.us

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

Ohio motor fuel is governed by the Ohio Revised Code section 5735. It is available on our website.

<http://codes.ohio.gov/orc/5735>

Section 3-State Point of Taxation

Gasoline: Receipt less credits

Diesel: Disbursement

Aviation Fuel: Exempt

Jet Fuel: Exempt

Section 4-State Tax Rates

Gasoline: \$0.28

Diesel: \$0.28

Aviation Fuel: n/a

Jet Fuel: n/a

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.

Ohio Department of Taxation

www.tax.ohio.gov

Ohio Department of Development –

<http://www.development.ohio.gov/>

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Currently not taxed	
E85	\$0.28	Not Applicable
Electric Vehicles/Electricity	Currently not taxed	
Gasoline Hybrid Vehicles	\$0.28	Not Applicable
		Not Applicable
LNG (Liquefied Natural Gas)	\$0.28	
LPG (Liquefied Petroleum Gas)	\$0.28	

Methanol or “M85”	\$0.28	Not Applicable
Other		Not Applicable

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

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.

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? Fuel Trac III

What products are subject to the diversion requirement?

All taxable products

Diversion Requirements

Must provide notification of diversion to the commission, that a verification number be assigned and manually added to the fact of the shipping paper. Supplier must cancel and rebill.

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

Supplier must request refund.

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

Supplier must credit/rebill

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

Any Additional Comments?

Section 8-Alternative Fuels Incentives and Laws

Oklahoma is the proud home of the Central Oklahoma (www.okcleancities.org) and Tulsa Area (www.tulsacleanities.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) Repealed effective January 1, 2014

Ethanol Production Tax Credit

For tax years beginning after December 31, 2003, and before January 1, 2013, an ethanol production facility is allowed a tax credit in the amount of \$0.20 per gallon of ethanol produced, for 60 months beginning with the first month for which the facility is eligible to receive such credit. The credit may only be claimed if the ethanol facility maintains an average production rate of at least 25% of its nameplate design capacity for at least six months after the first month for which it is eligible to receive the credit, on or before December 31, 2010. Producers are also eligible for an expansion credit of \$0.20 per gallon of ethanol produced in excess of the original nameplate capacity that results from expansion of the facility before December 31, 2008.

Beginning January 1, 2013, an ethanol facility is eligible for a credit of \$0.075 per gallon of ethanol, before denaturing, for new production for a period not to exceed 36 consecutive months. (Reference [House Bill 1513](#), 2007, and [Oklahoma Statutes](#) 68-2357.66) Repealed effective January 1, 2014

Ethanol Fuel Retailer Tax Credit

A retailer of ethanol-blended fuel (blended gasoline consisting of not more than 15% ethyl alcohol by volume) may claim a motor fuel tax credit of \$0.016 for each gallon of ethanol fuel sold in Oklahoma, if the retailer provides a price reduction to the purchaser of the ethanol fuel in the same amount. This incentive is effective unless the federal government mandates the use of reformulated fuel in an area within the State of Oklahoma that is in non-attainment with the National Ambient Air Quality Standards. (Reference [Oklahoma Statutes](#) 68-500.10-1)

Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Loans

The Department of Central Services has an Alternative Fuels Loan program to help convert government-owned fleets to operate on alternative fuels. This program provides 0% interest loans for converting vehicles to operate on an alternative fuel, for the construction of refueling infrastructure, and for the incremental cost associated with the purchase of an Original Equipment Manufacturer AFV. The program provides up to \$10,000 per converted or newly purchased vehicle and up to \$150,000 for refueling infrastructure. Repayment is made from fuel savings during a maximum seven-year period. If the price of alternative fuels does not remain below the price of the conventional fuel that was replaced, repayment is suspended. Eligible applicants include state and county agencies and divisions, municipalities, school districts, mass transit authorities, and public trust authorities. (Reference [Oklahoma Statutes](#) 74-130.4)

Alternative Fuel Vehicle (AFV) Loans

Oklahoma has a private loan program with a 3% interest rate for the cost of converting private fleets to operate on alternative fuels, for the incremental cost of purchasing an Original Equipment Manufacturer AFV, and for the installation of AFV refueling infrastructure. The repayment of the loan is made from fuel savings during a maximum three-year period.

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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		
CNG (Compressed Natural Gas)	\$0.05 per gasoline gallons equivalent (gge).	Unit of Measure	BTUs/Unit	Gallon Equivalent
		cubic foot	900	126.67 cu. ft.
E85	The tax rate is \$0.16/gallon.	Not Applicable		
Electric Vehicles/Electricity	Not addressed in our Statutes	Not Applicable		
Gasoline Hybrid Vehicles	Taxes only the gasoline that is placed in the hybrid vehicle \$0.16 per gallon	Not Applicable		
Hydrogen	Not addressed in our Statutes	Not Applicable		
LNG (Liquefied Natural Gas)	\$0.05 per diesel gallons equivalent (dge).	Six and six one hundredths (6.06) pounds of liquefied natural gas		
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	Not Applicable		
Methanol or	Required to obtain an	Not Applicable		

“M85”	annual Flat Fee Decal. Fee is based on the weight of the vehicle. For out-of-state vehicle \$0.16 per gallon	
Other	Not Applicable	Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
Alcohol		Yes
Other		Yes

Section 13 How does your state handle contaminated fuel?

§68-500.10. Exemptions from motor fuels tax.

14. Motor fuel which was lost or destroyed as a direct result of a sudden and unexpected casualty;

15. Taxable diesel which had been accidentally contaminated by dye so as to be unsaleable as highway fuel as proved by proper documentation;

§68-500.14. Perfection of certain exemptions by refund claim.

B. The exemption for motor fuel pursuant to paragraphs 14 and 15 of Section 500.10 of this title which fuel was purchased tax paid for a taxable use and was, after the purchase, contaminated by the presence of a dye or marker or subject to a sudden and unexpected casualty loss shall be refunded to the person responsible for the contamination or loss event upon application therefor and on proof shown acceptable to the Tax Commission.

Section 14 Does your state allow bad debt credits?

§68-500.24. Suppliers' entitlement to credit for uncollectible taxes.

A. In computing the amount of motor fuel tax due, the supplier shall be entitled to a credit against the tax payable the amount of tax paid by the supplier that has become uncollectible from an eligible purchaser.

B. The supplier shall provide notice to the Commission of a failure to collect tax within ten (10) business days following the date on which the supplier was earliest entitled to collect the tax from the eligible purchaser under Section 22 of this act.

C. The Commission shall adopt rules establishing the evidence a supplier must provide to receive the credit.

D. The credit shall be claimed on the first return following the expiration of the ten-day period as provided in this section if the payment remains unpaid as of the filing date of that return or the credit shall be disallowed.

E. The claim for credit shall identify the defaulting eligible purchaser and any tax liability that remains unpaid.

F. If an eligible purchaser fails to make a timely payment of the amount of tax due, the credit of the supplier shall be limited to the amount due from the purchaser, plus any tax that accrues from that purchaser for a period of ten (10) days following the date of failure to pay.

G. No additional credit shall be allowed to a supplier under this section until the Commission has authorized the purchaser to make a new election under Section 23 of this act.

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
Douglas.J.Kleeb@odot.state.or.us

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules:

Oregon Revised Statutes Chapter 319

https://www.oregonlegislature.gov/bills_laws/Pages/ORS.aspx

Oregon Administrative Rules Divisions 170, 176, 174

http://sos.oregon.gov/archives/Pages/oregon_administrative_rules.aspx

Section 3-State Point of Taxation

Gasoline: 1st distribution/sale

Diesel: When placed into the fuel tank of a vehicle used on the highway

Aviation Fuel: 1st distribution/sale

Jet Fuel: 1st distribution/sale

Section 4-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

Use Fuel Sellers are allowed to keep 4% of the tax collected provided they file and pay in a timely manner. Sellers are defined as those placing the fuel into the fuel tank of a motor vehicle for a price. Generally these are retail fueling stations or cardlock facilities.

Section 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) and the Rogue Valley Clean Cities Coalition. Coordinator contact

information is listed in the Points of Contact section.

State Incentives

Used Cooking Oil Biodiesel Tax Exemption

When sold at a retail location, diesel fuel blended with a minimum 20 percent biodiesel derived from used cooking oil is exempt from the state excise tax. The exemption does not apply to fleet fueling, bulk sales, or when the fuel is used in vehicles that have a gross vehicle weight rating of 26,001 pounds or more.

Biofuels 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 infrastructure projects, which include electric vehicle charging stations, blender pumps, propane and compressed natural gas fueling systems, are eligible for a tax credit of up to 35% of eligible project cost for other than home systems. The Energy Incentives Program is administered by the Oregon Department of Energy. There is a cap of \$20 million per biennium for transportation projects, which includes transit services in addition to alternative fuel vehicle infrastructure. In 2015, alternative fuel vehicle fleets become eligible as transportation project as well.

There is an option that allows a project owner to transfer the tax credit to a pass-through partner for a lump-sum cash payment that is equivalent to the net present value of the credit. A project owner may be a public entity or non-profit organization with no tax liability, or a business with tax liability that chooses to use the pass-through option. (Reference [House Bill](#) 3672 (2011), and [Oregon Revised Statutes](#) 315.336, 317.115, 469B.320 through 469B.347)

There is also a residential energy tax credit (RETC) available for alternative fueling stations installed at private residences. For alternative fuel vehicle fueling or charging infrastructure, the credit allowed is 25 percent of the eligible cost of the alternative fuel vehicle fueling or charging equipment, not to exceed \$750. (Reference [Oregon Revised Statutes](#) 316.116, 469B.100 through 469B.118)

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

The Oregon Department of Energy will offer a tax credit to businesses starting in 2015. These credit will be available to business owners who convert two or more vehicles to use alternative fuels or purchase two or more alternative fuel vehicles to replace gas or diesel vehicles. The credit is 35% of the incremental cost unless the vehicles are class 8 tractors, where the Department of Energy will deem an eligible cost and the resulting credit. Rules are currently under development.

(Reference [Oregon Revised Statutes](#) 316.116, 315.336, 469B.320 through 469B.347)

Alternative Fuel Loans

The Oregon Department of Energy offers a loan program for energy efficiency, renewable resource, and alternative fuel projects. Eligible alternative fuel projects include fuel production facilities, dedicated feedstock production, fueling stations, and fleet vehicles. The program issues Oregon general obligation bonds to provide funds for the loans. Loan recipients must complete a loan application and pay a loan application fee. (Reference [Oregon Revised Statutes](#) 470.050)

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)		
E85		Not Applicable
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles		Not Applicable

Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)		
LPG (Liquefied Petroleum Gas)		
Methanol or “M85”		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

Yes, for Motor Vehicle Fuel. Dealer may only claim bad debt for a specific customer once and must provide proof that the debt meets all applicable standards for deductibility for federal income tax purposes pursuant to IRS code. Reference Oregon Revised Statute 319.192

COMMONWEALTH OF PENNSYLVANIA

Section 1- Contact Information

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

Name: James E. Dehnert, Director
Kimberly Glaser, Research Analyst Manager

Street Address: 4th and Walnuts Streets, 5th Floor Strawberry Square

City, State Zip Code: Harrisburg, Pa. 17128-0646

Phone Number: (717) 783-9191

Fax Number: (717) 787-7174

E-mail Address: jdehnert@pa.gov
kglaser@pa.gov

Section 2- Statutes and Rules

Please give reference to your 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

Liquid Fuels and Fuels Tax

As a result of Act 89 of 2013, the Liquid Fuels and Fuels Tax permanently eliminated the 12 cent per gallon tax beginning on January 1, 2014.

Oil Company Franchise Tax

The oil company franchise tax is imposed on all taxable liquid fuels and fuels on a cents-per-gallon equivalent basis, and it is remitted by distributors of liquid fuels and fuels. Entities exempt from the liquid fuels and fuels tax are also exempt from the oil company franchise tax. The tax rate is 217.5 mills for liquid fuels and 272.5 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.

Section 3- State Point of Taxation

Gasoline: Distributor level

Diesel: Distributor level

Aviation Fuel: Distributor level

Jet Fuel: Distributor level

Section 4- State Tax Rates

Gasoline: *\$0.407 cents /gal (prior to January 1, 2014 it was 31.2 cents /gal)

Diesel: *\$0.510 cents/gal (prior to January 1, 2014 it was 38.1 cents /gal)

Aviation Fuel: \$0.059 cents/gal

Jet Fuel: \$0.020 cents /gal

Section 5-Rate Updates

Please list any rate updates for your state: *Please see changes noted above.

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: N/A.

What diversion registry program do you use? N/A.

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

Diversion Requirements: N/A.

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

N/A.

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

N/A.

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

File an amended return.

Section 8- Alternative Fuels Incentives and Laws

Pennsylvania is the proud home of the Pittsburgh Region (www.pgh-cleancities.org) and the Greater Philadelphia, Inc. (www.phillycleancities.org) Clean Cities Coalitions.

State Incentives

Renewable Energy Grants: Pennsylvania Energy Development Authority (PEDA) provides grants and loan guarantees for alternative energy projects and related research referring to deployment projects, manufacturing or research. PEDA funding is available for projects involving clean, alternative fuels for transportation, biomass, and fuel cells. PEDA is now offering approximately \$12.5 million in funding for advanced energy projects and for businesses interested in locating or expanding their alternative energy manufacturing or production operations in Pennsylvania. PEDA will consider projects such as the manufacturing of alternative energy or energy efficiency equipment of materials; the development and deployment of innovative, clean advanced and efficient technologies; the generation of alternative energy or the production of alternative fuels; or the implementation of energy efficiency/demand side projects. Of the \$12.5 million, \$10 million is specifically for renewable energy projects, such as solar, wind, hydropower, and biomass. If PEDA does not receive \$10 million in suitable Advanced Energy Projects, other eligible project types may receive this funding. Eligible applicants include corporations, partnerships, limited liability companies, associations and other legal business entities; Non-profit corporations; Pennsylvania schools, colleges and universities; and any Pennsylvania municipality and any public corporation, authority or body.

Eligible Project Categories include the following: *Advanced Energy Projects:* Projects which deploy: solar energy, wind, low-impact hydropower, geothermal, biomass, biologically derived methane gas including landfill gas, fuel cells, coal-mine methane, waste coal, coal liquification, coal polygeneration, integrated gasification combined cycle, and demand management measures including recycled energy and energy recovery, energy efficiency and load management.

- Clean Alternative Fuels, Alternative Energy Manufacturing and Alternative Energy Research
- Construction of new facilities to produce alternative fuels for transportation
- Construction of new facilities to provide alternative fuels recycling infrastructure
- Projects which support manufacture of component parts of the alternative energy sector
- Projects which support research to advance or commercialize alternative energy projects

For more information, see the [Department of Environmental Protection Grant and Loan Programs](#) Web site.

Alternative Fuel and Idle Reduction Grants: The Small Business Advantage Grant Program provides matching grants of 50%, up to \$9,500, to enable a Pennsylvania small business to adopt or acquire energy-efficient or pollution prevention equipment or processes. Pennsylvania trucking companies and independent truckers may use the funding to purchase auxiliary power units. Projects may not begin until after applications are approved. Funding is contingent upon annual legislative appropriations. The fiscal year (FY) 2013 application deadline has passed; however, the FY2014 application period will open on July 1, 2014, if funding is available (verified November 2013). For more information, refer to the Small Business Advantage Grant Program website.

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 Loans: The Small Business Pollution Prevention Assistance Account Loan Program provides low interest rate loans to small businesses undertaking projects in Pennsylvania that reduce waste, pollution, or energy use, including the purchase of truck auxiliary power units. Loans are available for 75% of the total eligible project costs. The maximum loan amount is \$100,000 within any 12-month period. The loan has a 2% fixed rate and a maximum term of 10 years. For more information, refer to the Small Business Pollution Prevention Assistance Account Loan Program website.

Idle Reduction Weight Exemption: A vehicle equipped with qualified idle reduction technology may exceed the state's gross weight and axle weight limits by up to 400 pounds to compensate for the additional weight of the idle reduction technology. (Reference Title 35 Pennsylvania Statutes, Chapter 23B, Section 4604)

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.

Natural Gas Vehicle (NGV) Grants: The Pennsylvania Department of Environmental Protection administers the Natural Gas Vehicle Grant Program, which provides funding to eligible municipal and commercial fleets for the purchase or conversion of dedicated or bi-fuel NGVs. Eligible vehicles must have gross vehicle weight ratings of at least 14,000 pounds. Competitive grants are capped at 50% of the incremental or conversion cost, up to \$25,000 per vehicle. Grants may not be used for project development, fueling stations, or other fueling infrastructure. Eligible applicants include Commonwealth or municipal authorities, the Pennsylvania Turnpike Commission, non-profit entities, for-profit companies, local transportation organizations, and state-owned or state-related universities. Funding for grants has been allocated to the through fiscal year 2015 with portions set aside specifically for local transportation agencies through 2014. For more information, refer to the Natural Gas Vehicle Program website. (Reference Title 58 Pennsylvania Statutes, Chapter 27, Sections 2701-2704)

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.51/gallon	B100 is taxable	Rate includes the PA Oil Franchise Tax	\$0.40.7/gallon	Not taxable	Not taxable

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

Biodiesel	Ethanol
Per oral guidance from the state, B100 is included in the definition of diesel and is taxed like diesel. The tax rate is \$0.510/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. Imports are reportable but no tax is paid until the fuel is sold to an unlicensed person. As such, sales to licensed	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 \$0.407/gallon. E-85 is taxable at the Alternative Fuel Tax rate of \$.292 cents per gallon. E-85 becomes taxable when the fuel is placed into a tank of a licensed vehicle.

distributors are tax free.	
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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 2014, the tax rates for alternative fuels are as follows:

Alternative Fuel	Rate of Conversion (BTU/gal of alternative fuel)	Amount Equivalent to One Gallon of Gasoline @ 114,500 BTU per gallon	Tax Rate per Gallon of Alternative Fuel
Ethanol	76,330	1.500	\$0.2718
Methanol	57,250	2.000	\$0.204
Propane/LPG	84,950	1.348	\$0.302
E-85	82,0560	1.395	\$0.292
M-85	65,838	1.739	\$0.234
Liquefied Natural Gas (LNG)	74,720	1.532	\$0.265
Electricity	3,414 BTU / KWH	33.538 KWH	0.0122 / KWH

Alternative Fuels under GGE Formula (Gaseous)	GGE Equivalent to One Gallon of Gasoline	Tax Rate per GGE
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Compressed Natural Gas (CNG)	1	\$0.407
Hydrogen ⁶	1	\$0.407

Section 12 Please list what blendstocks are taxable or reportable in your state.

"Alternative fuels." Natural gas, compressed natural gas (CNG), liquified natural gas (LNG), liquid propane gas and liquified petroleum gas (LPG), alcohols, gasoline-alcohol mixtures containing at least 85% alcohol by volume, hydrogen, hythane, electricity and any other fuel used to propel motor vehicles on the public highways which is not taxable as fuels or liquid fuels under this chapter.

"Fuels." Includes diesel fuel and all combustible gases and liquids used for the generation of power in aircraft or aircraft engines or used in an internal combustion engine for the generation of power to propel vehicles on the public highways. The term does not include liquid fuels or dyed diesel fuel.

If the product is blended with clear diesel it will assume the diesel tax rate.

"Liquid fuels." All products derived from petroleum, natural gas, coal, coal tar, vegetable ferments and other oils. The term includes gasoline, naphtha, benzol, benzine or alcohols, either alone or when blended or compounded, which are practically and commercially suitable for use in internal combustion engines for the generation of power or which are prepared, advertised, offered for sale or sold for use for that purpose. The term does not include kerosene, fuel oil, gas oil, diesel fuel, tractor fuel by whatever trade name or technical name known having an initial boiling point of not less than 200 degrees fahrenheit and of which not more than 95% has been recovered at 464 degrees fahrenheit (ASTM method D-86), liquified gases which would not exist as liquids at a temperature of 60 degrees fahrenheit and pressure of 14.7 pounds per square inch absolute or naphthas and benzols and solvents sold for use for industrial purposes.

If the product is blended with gasoline it will assume the gasoline tax rate

Blendstocks are not subject to the Pennsylvania Oil Company Franchise Tax unless they are blended with either Liquid Fuels or Fuels as defined above.—Suppliers/Distributors may report ethanol on their return for inventory purposes but it will not assume the tax rate of a Liquid Fuel (gasohol) or Alternative Fuel (E-85) until blended.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Registered distributors most times would not have paid tax on fuel, so if the fuel is contaminated while they hold title to the product, they would place the information on a schedule 10 (no tax

implications) to balance their inventory.

If it is a non-registered distributor who has paid the tax, then the fuel was contaminated they would have to petition the Pennsylvania Board of Appeals to request a refund.

Section 14 Does your state allow bad debt credits?

No.

STATE OF RHODE ISLAND

Section 1-Contact Information

Agency: Rhode Island Department of Revenue, Division of Taxation

Name: Theriza Iafrate

Street Address: Excise Tax Section - One Capitol Hill

City, State Zip Code: Providence, RI 02908

Phone Number: 401-574-8934

Fax Number: 401-574-8914

E-mail Address: Theriza.Iafrate@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: Effective July 1, 2015 and every other year thereafter, the motor fuel tax will be indexed to inflation. Each adjustment will be rounded to the nearest one cent increment, provided that the total tax is not less than 32 cents per gallon.

Section 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. N/A

What diversion registry program do you use? N/A

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

Diversion Requirements.

Distributor is responsible for the collection of motor fuel tax at the time of sale. If a distributor is aware of a diversion the distributor is responsible for adjusting the bill to reflect the actual tax/credit due.

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

If the distributor refunded the motor fuel tax to its customers, the distributor would apply for the refund.

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

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

Any Additional Comments? Customers would apply for the motor fuel tax refund only if the distributor failed to refund their monies back.

Section 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 completed, with approximately 50 stations currently operating.

Alternative Fuel Vehicle (AFV) Loan

The Rhode Island Office of Energy Resources offers loans for up to five years, with low administrative fees, to state agencies and municipal governments to cover the incremental cost of purchasing original equipment.

Alternative Fuel Vehicle (AFV) Tax Exemption - Warren

The town of Warren, Rhode Island may allow excise tax exemptions of up to \$100 for qualified AFV registered in Warren. For the vehicles to qualify, they must be primarily fueled by one of the following: an electric motor drawing current from rechargeable batteries or fuel cells; gas produced from biomass, where biomass is defined as any organic material other than oil, natural gas, and coal; liquid, gaseous or solid synthetic fuels produced from coal; or coke or coke gas. (Reference [Rhode Island Code](#) 44-34-14)

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.32/gallon	B100 is taxable if shipped into RI	B100 is exempt from MF Tax if produced in RI	\$0.32/gallon	Ethanol is taxable	

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

Biodiesel	Ethanol
B100 imported into RI is subject to the MF Tax @ the current tax rate of \$0.32/gallon.	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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)		Not Applicable
E85	Taxable @ \$0.32 / Gallon	
Electric Vehicles/Electricity		Not Applicable
Gasoline Hybrid Vehicles	Taxable @ \$0.32 / Gallon	
Hydrogen		Not Applicable
LNG (Liquefied Natural	Taxable @ \$0.32 /	

Gas)	Gallon	
LPG (Liquefied Petroleum Gas)	Taxable @ \$0.32 / Gallon	
Methanol or “M85”		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
Dyed Diesel off road	Taxable @ \$0.32 / Gallon	Yes
Clear Diesel on road	Taxable @ \$0.32 / Gallon	Yes
Gasoline	Taxable @ \$0.32 / Gallon	Yes

Section 13 How does your state handle contaminated fuel?

Not applicable

Section 14 Does your state allow bad debt credits?

A provision for bad debts is allowed.

STATE OF SOUTH CAROLINA

Section 1-Contact Information

Agency: South Carolina Dept of Revenue

Name: Carol Player

Street Address: 300-B Outlet Pointe Blvd

City, State Zip Code: Columbia, SC 29210

Phone Number: 803-898-5911

Fax Number: 803-896-0066

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). 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.

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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

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

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

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

LNG: \$.14 per gallon

CNG: \$.10 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Bodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)		The fuel excise tax is imposed at the equivalent rate of \$.22 per 116,090 BTU of energy of the fuel, which is the equivalent energy of a gallon of gasoline. The owner or operator of the motor vehicle shall remit the tax imposed by this section.
E85		Not Applicable
Electric Vehicles/Electricity		

Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)		The fuel excise tax is imposed at the equivalent rate of \$.22 per 116,090 BTU of energy of the fuel, which is the equivalent energy of a gallon of gasoline. The owner or operator of the motor vehicle shall remit the tax imposed by this section.
LPG (Liquefied Petroleum Gas)		
Methanol or "M85"		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

10-47B-134. Refund for taxes paid on fuel sold to customer whose accounts are worthless--Sufficient evidence and testimony. Any wholesale distributor or retail dealer licensed as a marketer in this state may apply for and obtain a refund for taxes paid to this state on any gallons of motor fuel, undyed special fuel, or liquid petroleum gas sold to customers whose accounts are found to be worthless. Accounts may not be deemed to be worthless unless they have been claimed as uncollectible and deducted as an expense on the licensee's federal income tax return. Upon application of this refund, the department shall have cause and authority to make an assessment and take collection action against the purchaser of the fuel in accordance with the provisions of chapter 10-59. A refund claimant shall only be eligible for a refund for the taxes not paid by a customer once every three years. The department shall notify all licensed suppliers, out-of-state suppliers, and marketers that the party has been delinquent in the payment of tax and that no further refunds will be paid for sales made to the party during the next three-year period. To qualify for a refund a marketer shall supply the department sufficient evidence and testimony to enforce any tax collection action by the department.

STATE OF TENNESSEE

Section 1-Contact Information

Agency: Department of Revenue

Name: Ray Grigsby

Street Address: 500 Deaderick Street

City, State Zip Code: Nashville, TN 37242

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: 1st 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 on timely payments made before or by the due date.

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

Section 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 face of the shipping paper. The party diverting the shipment must pay their own taxes to the respective state if the bill of lading doesn't reflect the correct destination based upon T.C.A. 67-3-513.

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

Only the party diverting the shipment may claim the refund.

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

The Supplier/Distributor should bill the customer based on the destination shown on the original bill of lading.

If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load? No

Any Additional Comments?

Section 8-Alternative Fuels Incentives and Laws

Tennessee is the proud home of the East Tennessee Clean Fuels Coalition (www.etcleanfuels.org) and Clean Cities of Middle Tennessee

(www.tennesseecleanfuels.org). Coordinator contact information is listed in the Points of Contact section.

State Incentives

Provision for Establishing Alternative Fuel Refueling Infrastructure Grants

The Tennessee Department of Transportation (TDOT) is authorized to undertake public-private partnerships with transportation fuel providers, including, but not limited to farmer cooperatives, to install refueling facilities. Refueling facilities include storage tanks and fuel pumps dedicated to dispensing biofuels, including but not limited to ethanol (E85) and biodiesel (B20). TDOT is also authorized to establish a grant program to provide financial assistance to help pay the capital costs of purchasing, preparing, and installing fuel storage tanks and fuel pumps for biofuels at private sector fuel stations. TDOT may also develop and implement a program to encourage all political subdivisions of the state and public colleges and universities to increase the number of vehicles that use alternative fuels. (Reference House Bill 2216, 2007, and Tennessee Code 54-1-136)

Provision for Establishing an Alternative Fuel Research and Development Program

The Department of Agriculture is authorized to develop and implement an alternative fuel research program to stimulate public and private research in conversion technology. This research should address converting Tennessee agricultural products, such as soybeans, switchgrass, and other biomass, into alternative fuels, as well as the production capabilities needed to deliver such alternative fuels to Tennessee consumers. (Reference House Bill 2216, 2007, and Tennessee Code 54-1-136)

Section 9-Taxability & Tax Rates for Biodiesel and Ethanol

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
B100 is treated like diesel fuel. The current tax rate is \$0.17/gallon. In state manufacturers do not pay the diesel tax if sold to a TN Blender, Supplier, Bonded Importer, or Licensed Exporter.	Ethanol is treated like gasoline. It is taxed upon 1 st 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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Subject to \$0.13/gallon	5.66 lbs. equals one gallon.
E85	Subject to \$.20/gallon	Not Applicable
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	Subject to \$0.13/gallon	5.66 lbs. equals one gallon
LPG (Liquefied Petroleum Gas)	Subject to \$0.14/gallon	6.06 lbs. equals one gallon
Methanol or “M85”	Subject to \$0.20/gallon	Not Applicable
Other	All fuel alcohol and any substitutes for gasoline are treated as gasoline and are subject to \$0.20/gallon	Not Applicable

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable
Any petroleum product component of gasoline, such as naphtha, reformate, or toluene, that can be blended for use in a motor vehicle. However, “blend stock” does not include any substance that will be ultimately used for consumer non-motor fuel use and is sold or removed in drum quantities of not more than 55 gallons at the time of the removal or sale.	Subject to \$0.20/gallon	Yes

Section 13 How does your state handle contaminated fuel?

Where taxable diesel fuel has been accidentally contaminated by dye, the owner of the product may file a claim for refund for the diesel tax paid on the undyed fuel.

Section 14 Does your state allow bad debt credits?

A licensed supplier or bonded importer is entitled to a credit against taxes payable under T.C.A. title 67 chapter 3, for any tax or fee not paid to the supplier or importer by a deferred wholesaler. The supplier or bonded importer shall notify the department in writing of the default no later than 15 days after the earliest date on which the deferred wholesaler was required to make the payment. The notice shall include the name of the defaulting wholesaler, the amount of the default, whether the supplier or importer has terminated the wholesaler’s election for deferral of taxes, and the date of any termination.

STATE OF TEXAS

Section 1-Contact Information

Agency: Texas Comptroller of Public Accounts

Name: David Reed / Kirk Davenport

Street Address: 111 East 17th Street

City, State Zip Code: Austin, Texas 78711

Phone Number: (512) 463-6056 / (512) 936-4101

Fax Number: (512) 475-0900

E-mail Address: david.reed@cpa.state.tx.us / 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&ch=S&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=34&pt=1&ch=3&ch=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 and \$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: 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 imposition of tax on CNG and LNG moved to the dealer 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 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. An importer who timely pays the tax on fuel imported into the state directly to the state receives a 2 percent timely filing and payment allowance.

The licensed liquefied gas dealer receives a 1 percent timely filing and payment allowance.

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

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 all copies of the shipping document.

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

The purchaser who diverted the product must apply for the refund. The supplier may not refund any taxes due to the diversion of a product.

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

The supplier is not allowed to rebill or give a credit for a diverted load.

If not required, do you allow the Supplier/Distributor to rebill or give a credit for the diverted load? No, it is the responsibility of the purchaser.

Any Additional Comments?

A terminal operator or bulk plant operator may rely on the representation made by the purchaser of motor fuel or the purchaser's agent concerning the destination state of the motor fuel. A purchaser is liable for any tax due as a result of the purchaser's diversion of motor fuel from the represented destination state. The purchaser is responsible for paying the applicable destination state taxes along with filing a refund with the origin state. The supplier may not refund any taxes due to the diversion of a product.

Section 8-Alternative Fuels Incentives and Laws

Texas is the home of the Alamo Area (www.aacog.com/cleancities), Central Texas (www.cityofaustin.org/cleancities), Dallas/Fort Worth (www.nctcog.org/cleancities), East Texas (www.netac.org/cities.htm), Greater Houston Regional (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

B00 / R00	Motor Fuel Taxability	Misc. Taxability	Ethanol – E00	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel / Renewable Diesel Fuel	Ethanol
There is no tax on B00 or R00. The volume of biodiesel or renewable diesel fuel blended with petroleum diesel fuel is exempt from the \$0.20 per gallon state tax when clearly identified on the sales invoice, retail pump, and storage tank. Only the volume of petroleum diesel in the blend is taxable. Tax is due on import.	There is no Motor Fuel License required for 100% Ethanol; however, you must be licensed with a Texas Limited Sales and Use Tax License. Ethanol becomes taxable when used as a feedstock for gasoline. The tax rate is \$0.20/gallon. In order to blend ethanol you must be registered as a Supplier, Permissive Supplier or a distributor <u>when making wholesale sales. If blending for own use or sale through own retail dealer location you must be registered as a blender.</u>

Section 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
CNG (Compressed Natural Gas)	\$0.15 per gallon when dispensed into a motor vehicle beginning September 1, 2013.	Converted to gasoline gallon equivalent <u>(5.660 lbs)</u> or diesel gallon equivalent <u>(6.380 lbs)</u> .
E85	\$0.20 per gallon	Not Applicable
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	\$0.15 per gallon when dispensed into a motor vehicle beginning September 1, 2013	Converted to gasoline gallon equivalent <u>(5.370 lbs)</u> or diesel gallon equivalent <u>(6.060 lbs)</u> .
LPG (Liquefied Petroleum Gas)	Prepaid decal for TX-plated motor vehicles and \$0.15 per gallon for out-of-state plated motor vehicles and IFTA licensed vehicles.	
Methanol or “M85”		Not Applicable
Other		Not Applicable

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Gasoline and diesel fuel that becomes contaminated and is no longer suitable for use as a motor fuel is eligible for tax refund. Records are required that document; how the fuel was contamination, the amount of fuel contaminated before and after the incident, and the disposal of the contaminated gasoline or diesel fuel.

Section 14 Does your state allow bad debt credits?

A licensed supplier, permissive supplier, or distributor who has sold tax-paid gasoline or diesel fuel on account and a licensed compressed natural gas/liquefied natural gas dealer who has sold tax-paid compressed natural gas/liquefied natural gas on account may claim a refund of the tax paid when the account is written off their accounting books as an uncollectable bad debt. Any money received as a payment on the account must be applied ratably between the amount the product sold and the amount of tax.

A licensed supplier or permissive supplier may take a 100% credit for taxes previously paid on gasoline or diesel fuel removed from an IRS registered terminal when the distributor or importer defaults on the deferred payment of tax to the supplier or permissive supplier. The supplier or permissive supplier must notify the comptroller within 15 days of the default.

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:

Utah's Environmental Assurance Fee goes from 1/2 cent per gallon to **13/20** cent per gallon.
This takes affect January 1, 2015.

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).
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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	\$0.085 per gallon equivalent	120 cubic feet = 1 gasoline gallon equivalent
E85		Not Applicable
Electric Vehicles/Electricity	Not Currently Taxed	
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied)	\$0.085 per gallon	1 liquid gallon equivalent

Natural Gas)	equivalent	
LPG (Liquefied Petroleum Gas)	Not Currently Taxed	
Methanol or “M85”		Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

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: Subject to Sales Tax, Vermont Department of Taxes

Section 4-State Tax Rates

Gasoline: \$0.121 tax + MFTIA Fee + MFTA Fee + \$.01 clean up fee per gallon

Diesel: \$0.28 tax + \$.03 MFTA Fee + \$.01 clean up fee per gallon

Aviation Fuel: Same as Gasoline above

Jet Fuel: Subject to 6% Sales Tax

Gasoline MFTIA – Fee adjusted for each calendar quarter

Gasoline MFTA - Fee adjusted for each calendar quarter

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. This fee is applied to all clear products including B100 & kerosene.

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

Gasoline also has a second Motor Fuel Transportation Assessment (MFTA) 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 Transportation Infrastructure Assessment (MFTIA) fee. Currently, the diesel MFTIA fee does not fluctuate.

Section 6-State Collection Allowance

Vermont currently allows licensed distributors a one percent allowance on taxable sales of diesel & gasoline gallons, provided the distributor reports on importations.

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/). 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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
Exempt	Any blend less than B100 is taxable	< B100 taxed as diesel fuel, see above	Taxable	Ethanol is tax as gasoline, see above	

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

Biodiesel	Ethanol
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. Subject to Gasoline tax rate state above. 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

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

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Vermont handles contaminated fuel on a case by case basis and does not have a standard or stated policy on contaminated fuel.

Section 14 Does your state allow bad debt credits?

Vermont does not allow for bad debt credits.

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, 2014-.111 cents per gallon

Diesel: Effective July 1, 2014-.202 cents per gallon

Aviation Fuel: Aviation Gas -.05

Jet Fuel: Aviation Jet - .05

For Aviation Consumers-.05 for first 100,000 gallons of aviation jet fuel, excluding bonded aviation jet fuel, per fiscal year and .005 for any aviation jet fuel gallons, excluding bonded aviation jet fuel, over 100,000 per fiscal year.

Section 5-Rate Updates

Please list any rate updates for your state: See above

Section 6-State Collection Allowance

Discounts in VA:

Percentage Discount:

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

Administrative discount:

Suppliers and Providers of Alternative Fuel -- one-tenth of one percent (.001) not to exceed \$5,000 per month for payment and timely filing.

Percentage discount

Suppliers -- who sell directly to unlicensed distributor, bulk user, retailer or user of fuel may take -one-half of one percent (.005)

Section 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.D.3 (a, b, c)

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

What products are subject to the diversion requirement?

All motor fuel products.

Diversion Requirements.

Per 58.1-2263 - Purchaser shall be liable for any tax due as a result of the purchaser's diversion of fuel from the represented destination state. They must notify the Commissioner before transporting the fuel that they have received instructions that destination has changed; receive confirmation number from the Commissioner authorizing the diversion; and write on the shipping document the change in destination state and the confirmation number for the diversion-

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

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?

Per 58.1-2263 6c - A terminal operator or bulk plant operator may rely on the representation made by the purchaser of motor fuel or the purchaser's agent concerning the destination state of the motor fuel. A purchaser shall be liable for any tax due as a result of the purchaser's diversion of fuel from the represented destination state.

******The following section can not be validated by the DMV
Motor Fuels Tax Section.**

Section 8-Alternative Fuels Incentives and Laws

Virginia is the proud home of the Hampton Roads Clean Cities Coalition (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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
*B99 and below- At diesel rate	B100 is not taxable	Subject to the Tank Fee when it is B99 or below	When blended-at gasoline rate	Not taxable	Not taxable Subject to tank fee if blended

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

Biodiesel	Ethanol
*Although B100 is considered diesel fuel in VA, it is not taxable until it is blended.	Tax is not required however a license is required to import ethanol.

Section 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
CNG (Compressed Natural Gas)	Yes	Cubic feet of CNG x 0.007895
E85	Yes	Not Applicable
Electric Vehicles/Electricity	No	Not Applicable
Gasoline Hybrid Vehicles	Yes	Not Applicable
Hydrogen	Yes	Cubic feet of Hydrogen x

		0.002798
LNG (Liquefied Natural Gas)	Yes	LNG gallons x 0.650957
LPG (Liquefied Petroleum Gas)	Yes	LPG gallons x 0.7404741
Methanol or "M85"	Yes	Not Applicable
Other	Not Applicable	Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable
RBOB	Same as gasoline tax rate	yes
CBOB	Same as gasoline tax rate	yes

Section 13 How does your state handle contaminated fuel?

As per 58.1-2259 – it is refunded if it is not due to negligence.

Section 14 Does your state allow bad debt credits?

Yes - To Licensed Suppliers for licensed Distributors and Importers. To License Provider's of Alternative Fuels for licensed Bulk Users and Retailers of Alternative Fuels

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). 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:

GVW	Fee
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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.375 gallon	B100 is taxable		\$0.375/gallon	Ethanol is taxable	

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

Biodiesel	Ethanol
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

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

**Section 12 Please list what blendstocks are taxable
or reportable in your state.**

Blendstock	Tax Rate	Reportable
All Blendstocks	\$0.375	YES

Section 13 How does your state handle contaminated fuel?

A refund may be requested. A review of the contamination documentation is conducted before a refund is authorized.

Section 14 Does your state allow bad debt credits?

Licensed suppliers may request a credit, but must first declare the debt to the Internal Revenue Service before claiming with the department.

STATE OF WEST VIRGINIA

Section 1-Contact Information

Agency: WV State Tax Department

Name: Crystal Peal

Street Address: 1001 Lee Street E

City, State Zip Code: Charleston WV 25301

Phone Number: 304-558-8618

Fax Number: 304-558-1989

E-mail Address: crystal.g.peal@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: 35.7 cents, includes variable rate

Diesel: 35.7 cents, includes variable rate

Aviation Fuel: .152 cents, variable rate only

Jet Fuel: .152 cents, variable rate only

Propane: .062 cents, variable rate only

CNG: .244 cents, includes variable rate

LNG: .157 cents , includes variable rate

Section 5-Rate Updates

Please list any rate updates for your state: This average wholesale price per gallon (\$3.049) and the variable component tax computed thereon (\$0.152 per gallon) shall apply to all gallons of motor fuel sold, purchased or used in this State during the period beginning January 1, 2014 and ending December 31, 2014, inclusive, regardless of whether actual purchase price of such Motor fuel is more or less than \$3.049 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? FuelTrac

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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$0.357 gallon	B100 is taxable	None	\$0.357/gallon	E100	None

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

Biodiesel	Ethanol
B100 is treated like diesel fuel. The tax rate is \$0.357/gallon.	The tax rate is \$0.357/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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Yes	
E85	yes	Not Applicable
Electric Vehicles/Electricity	no	

Gasoline Hybrid Vehicles	yes	Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	yes	
LPG (Liquefied Petroleum Gas)	yes	
Methanol or "M85"	Yes	Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Section 14 Does your state allow bad debt credits?

STATE OF WISCONSIN

Section 1-Contact Information

Agency: Wisconsin Department of Revenue

Name: Chris Roy

Street Address: 2135 Rimrock Road

City, State Zip Code: Madison, WI 53713

Phone Number: 608 266-7453

Fax Number: 608-261-7049

E-mail Address: christopher.roy@revenue.wi.gov

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules: Wisconsin Statutes Chapter 78 & 168 and Wisconsin Administrative Code Chapter Tax 4.

Section 3-State Point of Taxation

Gasoline: Position Holder or Exchange Receiver at the Rack.

Diesel: Position Holder or Exchange Receiver at the Rack.

Aviation Fuel: First sale unless sold to another Wisconsin General Aviation Fuel Licensee or to an Air Carrier Company.

Jet Fuel: First sale unless sold to another Wisconsin General Aviation Fuel Licensee or to an Air Carrier Company.

Section 4-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). 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/).

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

<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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	\$ 0.247 per gallon	
E85	\$0.309 + inspection fee	Not Applicable
Electric Vehicles/Electricity		
Gasoline Hybrid Vehicles		Not Applicable
Hydrogen		Not Applicable
LNG (Liquefied Natural Gas)	\$0.197 per gallon	
LPG (Liquefied Petroleum Gas)	\$0.226 per gallon	
Methanol or “M85”	\$0.309 + inspection fee	Not Applicable
Other	\$0.309 + inspection fee	Not Applicable

Recent Legislation

None.

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Refund request and backup information sent to:
Wisconsin Department of Revenue
PO Box 8900
Madison WI 53708

Section 14 Does your state allow bad debt credits?

Yes. This can either be taken as a schedule 10E with the suppliers return or a separate refund request filed on form MF-016, Wholesaler Distributor Claim for Tax Refund Uncollectible Wisconsin Motor Vehicle Fuel Taxes found at <http://www.revenue.wi.gov/forms/excise/index-f.html>.

STATE OF WYOMING

Section 1-Contact Information

Agency: Department of Transportation

Name: Wayne Hassinger

Street Address: 5300 Bishop Boulevard

City, State Zip Code: Cheyenne, WY 82009-3340

Phone Number: 307-777-3909

Fax Number: 307-777-4769

E-mail Address: Wayne.Hassinger@wyo.gov

Section 2-Statutes and Rules

Please give reference to your Statutes and Rules: Wyoming Statutes, Title 39, Chapter 17; links provided below.

<http://legisweb.state.wy.us/statutes/statutes.aspx?file=titles/Title39/Title39.htm>

<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).

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

B100	Motor Fuel Taxability	Misc. Taxability	Ethanol	Motor Fuel Taxability	Misc. Taxability
\$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

Biodiesel	Ethanol
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

Fuel Type	Taxability	Conversion Rate if applicable
CNG (Compressed Natural Gas)	Yes @ \$.24	Gasoline Gallon Equivalent (GGE)
E85	Yes @ \$.24	Not Applicable
Electric Vehicles/Electricity	TBD	Not Applicable
Gasoline Hybrid Vehicles	TBD	Not Applicable
Hydrogen	Yes @ \$.24	Not Applicable
LNG (Liquefied Natural Gas)	Yes @ \$.24	Diesel Gallon Equivalent (DGE)
LPG (Liquefied Petroleum Gas)	Yes @ \$.24	Not Applicable
Methanol or “M85”	Yes @ \$.24	Not Applicable
Other		Not Applicable

Section 12 Please list what blendstocks are taxable or reportable in your state.

Blendstock	Tax Rate	Reportable

Section 13 How does your state handle contaminated fuel?

Contact our office.

Section 14 Does your state allow bad debt credits?