



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

SN 2009(1)

25 Sigourney Street Ste 2
Hartford CT 06106-5032

SPECIAL NOTICE

**2007 Legislative Changes Affecting the Motor Vehicle Fuels Tax
Effective July 1, 2009**

Purpose: This Special Notice describes changes made to the motor vehicle fuels tax during the 2007 session of the Connecticut General Assembly that will take effect July 1, 2009.

Effective Date: The effective dates of the legislative changes are noted in this publication.

Statutory Authority: Conn. Gen. Stat. §12-458(a)(2), and Conn. Gen. Stat. §12-458(h).

Part I. Motor Vehicle Fuels Tax Changes

Motor Vehicle Fuels Tax Rate Increase on Diesel Fuel: Effective July 1, 2009, the motor vehicle fuels tax rate on the sale or use of diesel fuel increases from 43.4¢ to 45.1¢ per gallon.

No floor tax is being imposed on the inventory of diesel fuel as of the close of business on June 30, 2009.

The tax rate on gasohol will remain 25¢ per gallon.

Refund Rate for Certain Uses of Diesel Fuel: Effective July 1, 2007, for those claims determined by the commissioner to be eligible for refund, the refund rate for diesel fuel used other than in motor vehicles licensed or required to be licensed to operate upon the public highways of this state is 26¢ per gallon. This refund rate does not apply to a person engaged in the business of farming.

Effect on Other Documents: The following forms will be revised to reflect the rate increases or exemptions discussed in this Special Notice: **Form OP-216**, *Special Fuel Tax Return*; **AU-724**, *Motor Vehicle Fuels Tax Refund Claim Off Highway, Governmental, School Bus, Marine, and Waste Hauling*; **AU-725**, *Motor Vehicle Fuels Tax Refund Claim Farm Use*; **AU-736**, *Motor Vehicle Fuels Tax Refund Claim, Motor Bus, Taxicab, & Livery*; **AU-737**, *Motor Vehicle Fuels Tax Refund Claim, Airport Service Motor Bus*; **AU-738**, *Motor Vehicle Fuels Tax Refund Claim, Nutrition Program*; and **AU-741**, *Motor Vehicle Fuels Tax Refund Claim, Commuter Van*.

Effect of This Document: A Special Notice announces a new policy or practice in response to changes in state or federal laws or regulations or to judicial decisions. A Special Notice indicates an informal interpretation of Connecticut tax law by the Department of Revenue Services (DRS).

For More Information on the Motor Vehicle Fuels Tax or This Special Notice: For more information on the motor vehicle fuels tax or this Special Notice, call the Excise Taxes Unit of the Audit Division at 860-541-3224 from 8:30 a.m. to 4:30 p.m., Monday through Friday.

For Further Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

Select **Option 6** to speak to a representative.

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Forms and Publications: Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms and publications.

Paperless Filing/Payment Methods (fast, easy, free, and confidential):

Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** at www.ct.gov/TSC to file a variety of tax returns, update account information, and make payments online.

File Electronically: You can choose to get first-time filer information and filing assistance, or can log directly into the **TSC** to file returns and pay taxes.

Pay Electronically: You can pay taxes for tax returns that cannot be filed through the **TSC**. Log in and select the **Make Payment Only** option. Designate a payment date up to the due date of the tax and mail a paper return to complete the filing process.

DRS E-Alerts Service: Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-Alerts** provide information for employer's withholding tax, News – Press Releases, and Top 100 Delinquency List. Visit the DRS website at www.ct.gov/DRS and select e-Alerts from the left navigation bar.

Federal & Connecticut Petroleum Taxes - July 1, 2009

<u>Product</u>	<u>Tax Charged</u>
Clear diesel sold for off road purposes	45.1 cent CT excise tax (26 cents is refundable) 24.4 cent Federal excise tax
Clear diesel for on-road purposes	45.1 cent CT excise tax 24.4 cent Federal excise tax
Kerosene sold for off-road purposes	45.1 cent CT excise tax (26 cents is refundable)
Kerosene sold for on-road purposes	45.1 cent CT excise tax
Gasoline	25 cent CT excise tax 13.9 cent Federal excise tax (w/ethanol credit see below) 7.53% gross earnings tax

Note: Volumetric Ethanol Excise Tax Credit (VEETC) - The "Blenders' Credit"



Commonly referred to as the "blender's credit," the Volumetric Ethanol Excise Tax Credit (VEETC) was created in 2004 as part of H.R. 4520, the American Jobs Creation Act of 2004 (JOBS Bill, P.L. 108-357). VEETC provides oil companies with an economic incentive to blend ethanol with gasoline. As of January 1, 2009, the original tax credit totaling 51 cents per gallon on pure ethanol (5.1 cents per gallon for E10, and 42 cents per gallon on E85) was reduced to 4.5 cents per gallon. VEETC is currently authorized through December 31, 2010.