STATE OF CONNECTICUT

DEPARTMENT OF REVENUE SERVICES **SN 2002(7.1)**

25 Sigourney Street
Hartford CT 06106-5032

SPECIAL NOTICE

Motor Vehicle Fuels Tax on Diesel Fuel Inventory as of July 31, 2002

Purpose: This Special Notice provides information about the imposition of motor vehicle fuels tax on diesel fuel inventory and the filing requirements for licensees in connection with the tax.

Effective Date: Effective upon issuance and applicable to diesel fuel inventory as of the close of business on July 31, 2002 (or at 11:59 p.m. of that date).

Statutory Authority: 2002 Conn. Pub. Acts 1, §74 (May 9 Spec. Sess.) and Conn. Gen. Stat. §12-458(a)(2)(C), as amended by 2002 Conn. Pub Acts 1, §71 (May 9 Spec. Sess.).

Tax on Diesel Fuel Inventory as of Close of Business on July 31, 2002: All persons that are licensed to sell fuel under Conn. Gen. Stat. §14-319 must take an inventory of diesel fuel as of the close of business on July 31, 2002 or, if the business closes after 11:59 p.m., at 11:59 p.m. on that date. Licensees must file an inventory report, **Form AU-932**, *Retail Dealer's Inventory Report*, and pay a tax of 8¢ per gallon of diesel fuel in inventory by September 1, 2002.

The taking of such inventory and the paying of additional tax is commonly referred to as a floor tax.

Tax Rate Increase: Effective **August 1, 2002**, the motor vehicle fuels tax rate on the sale or use of diesel fuel, propane, and natural gas will increase from 18¢ to 26¢ per gallon.

No Floor Tax on Propane or Natural Gas: Although the tax rate on propane and natural gas suitable for the generation of power to propel motor vehicles will increase from 18¢ to 26¢ per gallon on August 1, 2002, there is no floor tax imposed on the inventory of propane or natural gas. Consequently, no inventory of propane or natural gas need be taken. However, as a person licensed to sell fuel under Conn. Gen. Stat. §14-319, you will receive **Form AU-932** from DRS. If you make no sales of diesel fuel, indicate so on the form and return it to DRS.

No Floor Tax and No Change in Gasoline or Gasohol Tax Rates: There will be no increase on August 1, 2002, in the tax rate for gasoline or gasohol. As such, there is no floor tax imposed on the inventory of gasoline or gasohol. Consequently, no inventory of gasoline or gasohol need be taken. However, as a person licensed to sell fuel under Conn. Gen. Stat. §14-319, you will receive **Form AU-932** from DRS. If you make no sales of diesel fuel, indicate so on the form and return it to DRS.

The motor vehicle fuels tax rate on gasoline will remain 25¢ per gallon, and the rate on gasohol will remain 24¢ per gallon.

Effect on Other Documents: This Special Notice modifies and supersedes **Special Notice 2002(7)**, *Motor Vehicle Fuels Tax on Diesel Fuel Inventory as of July 31, 2002.*

Effect of This Document: A Special Notice is a document that 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 DRS and may be referred to for general guidance by taxpayers or tax practitioners.

For Further Information on Motor Vehicle Fuels Tax: Call the Excise/Public Services Taxes Subdivision at **860-541-3225** during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday.

For Further Information: Please call DRS during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (from anywhere)

TTY, TDD, and Text Telephone users only may transmit inquiries 24 hours a day by calling 860-297-4911.

Forms and Publications: Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: **www.drs.state.ct.us**
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone.

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