STATE OF CONNECTICUT

DEPARTMENT OF REVENUE SERVICES

SN 2011(1)

25 Sigourney St Ste 2
Hartford CT 06106-5032

SPECIAL NOTICE

Motor Vehicle Fuels Tax on Diesel Fuel Inventory as of June 30, 2011

Purpose: This Special Notice describes the provisions of 2011 Conn. Pub. Acts 6, §101, which imposes a motor vehicle fuels tax at the rate of $0.03 per gallon of diesel fuel in the inventory of persons licensed to sell fuel under Conn. Gen. Stat. §14-319 ("Licensees").

Note: A tax on inventory is commonly referred to as a "floor" tax.

Effective Date of Floor Tax: Effective July 1, 2011 and applicable to diesel fuel in inventory as of the close of business on June 30, 2011, or, if the business closes after 11:59 p.m. on June 30, 2011, at 11:59 p.m. on June 30, 2011.

Statutory Authority: 2011 Conn. Pub. Acts 06, §101.

Floor Tax on Diesel Fuel Inventory Due August 1, 2011: Licensees subject to this floor tax must file a return with DRS no later than August 1, 2011, showing the number of gallons of diesel fuel in inventory as of the close of business on June 30, 2011, or, if the business closes after 11:59 p.m. on June 30, 2011, at 11:59 p.m. on June 30, 2011. The Department of Revenue Services (DRS) has prepared and will mail a **Form FT-FFT**, *Floor Tax Form for Diesel Fuel*, to all Licensees. Form FT-FFT is scheduled to be mailed on June 20, 2011.

Please be advised that Licensees must file a Form FT-FFT regardless of whether they have diesel fuel in inventory.

Failure to File Form FT-FFT and Pay Floor Tax: If any required Licensee fails to file a Form FT-FFT and pay the diesel floor tax amount due on or before August 1, 2011, the DRS will make an estimate of the number of gallons of diesel fuel in the Licensee's inventory as of the close of business on June 30, 2011 or, if the business closes after 11:59 p.m. on June 30, 2011, at 11:59 p.m. on June 30, 2011, and will do so based on information available to DRS. This estimate will be used to compute the amount of tax due.

In addition to the tax due, the Licensee will owe interest thereon calculated at the rate of 1% per month (or fraction of a month) of the tax due. Interest will continue to accrue from the August 1, 2011 until the tax is paid in full. The Licensee will also be subjected to a late payment penalty equal to 10% of the tax due, or $50, whichever is greater.

Additionally, failure to file and pay the diesel floor tax by August 1, 2011, may result in the revocation of any state license or permit issued to the Licensee by DRS.

No Change in Gasoline or Gasohol Tax Rates: The motor vehicle fuels tax rate on gasoline and gasohol remains at 25¢ per gallon. Accordingly, there is no floor tax in connection with gasoline or gasohol.

Effect on Other Documents: None affected

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 DRS.

For More Information on Motor Vehicle Fuels Tax: Call the Excise/Public Services Taxes Subdivision at **860-541-3224** during business hours Monday through Friday, 8:30 a.m. to 4:30 p.m.

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).

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 first-time filer information and filing assistance or 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.

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Motor Vehicle Fuels Tax
Floor Tax - 2011 Legislation
Issued: 06/16/2011