



STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

**AN 2003(14)**

25 Sigourney Street  
Hartford CT 06106-5032

**ANNOUNCEMENT**

**New Restriction on The Use of MTBE as a Gasoline Additive in Connecticut**

**Purpose:** This Announcement alerts motor vehicle fuels tax distributors (including "tax-paid" gasoline distributors) of the impending statutory ban on the use of methyl tertiary butyl ether (MTBE) as an additive in gasoline intended for sale to ultimate consumers in Connecticut on or after January 1, 2004, and the resulting changes in monthly motor vehicle fuels tax returns being mailed to distributors by the Department of Revenue Services (DRS).

**Effective Date:** January 1, 2004.

**Statutory Authority:** Conn. Gen. Stat. §22a-450a(b), as amended by 2003 Conn. Pub. Acts 122, §1.

**New Restriction:** Effective January 1, 2004, it is illegal for any gasoline intended for sale to ultimate consumers in Connecticut to contain more than one-half of one percent (0.5%) by volume of MTBE as a gasoline additive. This ban is contingent on the state of New York enacting a similar ban effective January 1, 2004. If the state of New York does not implement the ban as scheduled, DRS will advise distributors accordingly.

**Ethanol-Based Gasoline Likely to Be Used in Lieu of MTBE Gasoline:** It appears likely that gasoline with MTBE as an additive will be replaced by ethanol-based gasoline. If the ethanol-based gasoline consists of a blend of gasoline and a **minimum of ten percent by volume of ethanol** and is commonly referred to as gasohol, it is gasohol, as defined in Conn. Gen. Stat. §14-1. The sale or use of such gasohol is taxed at the gasohol tax rate of 24 cents (\$0.24) per gallon (one cent less per gallon than gasoline). Any gasoline containing less than ten percent by volume of ethanol is not gasohol, as defined in Conn. Gen. Stat. §14-1. The sale or use of such gasoline will be taxed at the gasoline tax rate of 25 cents (\$0.25) per gallon.

**Gasohol Tax Return to be Mailed:** As there will be a period of time when distributors may be selling both gasoline with MTBE and gasohol, DRS will send distributors both **Form O-MF-1, Motor Vehicle Fuels Tax Return**, and **Form O-MF-3, Motor Vehicle Fuels Tax Gasohol Tax Return**, for the months of November and December 2003. If a distributor will not be selling gasohol (e.g., the distributor will only be selling aviation gas), the distributor should so indicate on the **Form O-MF-3** for November 2003, and DRS will not mail the distributor that return in the future.

**Bond and Registration Requirements:** A distributor's current motor vehicle fuels tax distributor bond will cover its activity as a gasohol distributor. Therefore, a distributor will not be required to obtain a separate bond to cover its gasohol tax liability. Additionally, a distributor will not be required to complete **Form REG-5MF, Application for Motor Vehicle Fuels Tax**, in order to be registered as a gasohol distributor. DRS will handle that internally.

**Effect on Other Documents:** None affected.

**Effect of This Document:** Announcements alert taxpayers to new developments (other than newly enacted or amended Connecticut or federal laws or newly released judicial decisions), including new administrative positions, policies, or practices.

**For Further Information on the Motor Vehicle Fuels Taxes:** For further information on the motor vehicle fuels tax, call the Excise Taxes Unit at **860-541-3224**, Monday through Friday, 8:00 a.m. to 5:00 p.m.

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

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere)

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

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**Forms and Publications:** Forms and publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)
- **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** (in-state) and select **Option 2** from a touch-tone phone.
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**Paperless Filing Methods (fast, easy, free, and confidential):**

- **For business returns:** Use *Fast-File* to file sales and use taxes, business use tax, room occupancy tax, or withholding tax returns over the Internet or telephone. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File Returns On-Line* or call **860-947-1988**.
  - **For resident income tax returns:** Use *WebFile* to file personal income tax returns over the Internet. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File Returns On-Line*.
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