



**STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES**

450 Columbus Blvd Ste 1
Hartford CT 06103-1837

TSSB 2022-3.2
TAXPAYER SERVICES SPECIAL BULLETIN

**Motor Vehicle Fuels Tax Not Applicable to Gasoline and Gasohol
Between April 1, 2022, and June 30, 2022**

Update: This publication has been updated to provide information as to how the suspension of the motor vehicle fuels tax as it pertains to gasoline and gasohol will impact the reporting requirements for motor carriers who are IFTA-licensed and travel in Connecticut. *IFTA* (International Fuel Tax Agreement) is an agreement among jurisdictions (the 48 contiguous states of the United States and the 10 Canadian provinces) to simplify the reporting of fuel use taxes by interstate carriers.

Purpose

On March 23, 2022, the Connecticut State Senate passed H.B. No. 5501, *An Act Suspending Certain Gas Taxes and Sales and Use Taxes on Certain Clothing and Allocating Funds for Free Public Bus Services*,¹ and immediately transmitted the legislation to Governor Ned Lamont for his signature. Governor Lamont signed the legislation into law on March 24, 2022. The purpose of this Bulletin is to provide guidance as to the section of the legislation that pertains to the motor vehicle fuels tax. As explained more fully below, section 1 of H.B. No. 5501 suspends the application of the motor vehicle fuels tax to gasoline and gasohol from April 1, 2022, to June 30, 2022.

The Motor Vehicle Fuels Tax

The Connecticut motor vehicle fuels tax is an excise tax imposed on distributors, as that term is defined in Conn. Gen. Stat. § 12-455a(a).² Distributors pay motor vehicle fuels tax to the State of Connecticut “for the account of the purchaser or consumer.” Conn. Gen. Stat. § 12-458(a)(2). In addressing the application of the motor vehicle fuels tax, the Connecticut Supreme Court has determined that the burden of the motor vehicle fuels tax falls on the purchaser. Therefore, although the tax is imposed on distributors of fuels, the distributors charge and collect the tax from purchasers.

For purposes of the Connecticut motor vehicle fuels tax, the term “fuels” means and includes (1) fuels as defined in section 14-1 and (2) any other combustible gas or liquid suitable for the generation of power to propel motor vehicles. Conn. Gen. Stat. § 12-455a(b). The definition of “fuels” set forth in Conn. Gen. Stat. § 14-1 includes “all products commonly or commercially known or sold as gasoline . . . any liquid prepared, advertised, offered for sale or sold for use, or commonly and commercially used, as a fuel in internal combustion engines . . . and . . . any liquid commonly referred to as ‘gasohol’ . . .” Conn. Gen. Stat. § 14-1(39). Thus, “fuels” subject to the motor vehicle fuels tax include gasoline, diesel, gasohol, propane, or any combustible gas or liquid that generates the power needed to propel a motor vehicle. As explained below, section 1 of H.B. No. 5501 suspends the application of the motor vehicle fuels tax to gasoline and gasohol from April 1, 2022, to June 30, 2022.

Subsection (a) of section 1 of H.B. No. 5501 suspends the application of the motor vehicle fuels tax to gasoline and gasohol from April 1, 2022, to June 30, 2022

Subsection (a) of section 1 of H.B. No. 5501 provides as follows:

Notwithstanding the provisions of subparagraphs (A) and (B) of subdivision (2) of subsection (a) of section 12-458 of the general statutes, from April 1, 2022, to June 30, 2022, inclusive, the tax imposed under said subparagraphs shall not apply to fuels or gasohol sold or used by a distributor in this state. Nothing in this section shall be construed to affect the tax due pursuant to subparagraphs (C) to (E), inclusive, of subdivision (2) of subsection (a) of section 12-458 of the general statutes on propane, natural gas or diesel sold or used by a distributor in this state. As used in this section, “distributor” and “fuels” have the same meanings as provided in section 12-455a of the general statutes and “gasohol” has the same meaning as provided in section 14-1 of the general statutes.

¹ H. B. No. 5501 has been codified as Special Act. No. 22-2.

² The term “distributor” means and includes (1) any person, wherever resident or located, who or which imports fuels or causes fuels to be imported into this state, for sale or use, (2) any person who or which produces, refines, manufactures or compounds fuels within this state, (3) any person who or which distributes fuels by tank wagon in this state, and (4) any person who or which stores fuels in this state in a tank or other container having a capacity equaling or exceeding an amount established by the Commissioner of Revenue Services.

TSSB 2022-3.2

As set forth above, subsection (a) of section 1 of H.B. No. 5501 specifically states that the motor vehicle fuels tax “shall not apply to fuels or gasohol sold or used by a distributor in this state” from April 1, 2022, to June 30, 2022. Thus, during the period from April 1, 2022, to June 30, 2022, distributors are not subject to and, therefore, not required to remit motor vehicle fuels tax to the Department of Revenue Services (“Department”) in connection with any sale or use of “fuels or gasohol.”

As previously explained, “fuels” subject to the motor vehicle fuels tax include gasoline, diesel, gasohol, propane, or any combustible gas or liquid that generates the power needed to propel a motor vehicle. The General Assembly, however, specifically stated that the provisions of subsection (a) of section 1 of H.B. No. 5501 do not apply to “propane, natural gas or diesel sold or used by a distributor in this state.”³ Thus, through subsection (a) of section 1 of H. B. No. 5501, the General Assembly has effectively suspended the application of the motor vehicle fuels tax to gasoline and gasohol from April 1, 2022, to June 30, 2022.

At the time H.B. No. 5501 was passed and signed into law by Governor Lamont, the motor vehicle fuels tax applied to both gasoline and gasohol at the rate of twenty-five cents per gallon. As a result of Governor Lamont signing H.B. No. 5501 into law, distributors will not be required to remit the twenty-five cents per gallon tax to the Department on any sale or use of gasoline or gasohol during the period from April 1, 2022, to June 30, 2022. Moreover, as distributors are not required to remit tax on gasoline and gasohol during this period, they are not authorized to charge or collect the tax from their customers in connection with any sales of gasoline and gasohol during said period.

Application of the motor vehicle fuels tax prior to the effective date of Section 1 of H.B. No. 5501

It is important that taxpayers are aware of the effective date of section 1 of H.B. No. 5501. To this end, the General Assembly passed section 1 of H.B. No. 5501 with an effective date of April 1, 2022, and Governor Lamont signed this legislation into law on March 24, 2022. Therefore, as the provisions of section 1 of H.B. No. 5501 do not take effect until April 1, 2022, the suspension of the motor vehicle fuels tax does not take effect until April 1, 2022.

Although section 1 of H.B. No. 5501 is now law, any sale or use of gasoline and gasohol by a distributor prior to April 1, 2022, is subject to the motor vehicle fuels tax. Accordingly, any distributor that makes a sale or taxable use of gasoline or gasohol prior to April 1, 2022, will be required to remit the motor vehicle fuels tax in connection therewith. Moreover, distributors are authorized to collect the tax from customers in connection with sales of gasoline and gasohol prior to April 1, 2022.

Reporting requirements for distributors for each monthly period from April 1, 2022, to June 30, 2022

Each distributor of motor vehicle fuels is required to file a **Form O-MF**, *Motor Vehicle Fuels Tax Return*, with the Department on a monthly basis. These returns are due on the twenty-fifth of each month and report the number of gallons of fuel sold and used by each distributor during the preceding calendar month. Given the suspension of the motor vehicle fuels tax as it pertains to gasoline and gasohol, the following explains how distributors of motor vehicle fuels are to report sales and uses of gasoline and gasohol for each monthly period from April 1, 2022, to June 30, 2022.

Important reminder: The first return that will be impacted by the suspension of the motor vehicle fuels tax applicable to gasoline and gasohol is due May 25, 2022, and will cover the month of April 2022.

Distributors have traditionally reported sales of gasoline and gasohol on Lines 16 and 17 of **Form O-MF** and the number of gallons of gasoline and gasohol they used during the monthly period on Line 18 of **Form O-MF**. This will not be the case for returns covering a monthly period between April 1, 2022, and June 30, 2022. Rather, during this suspension period each distributor that electronically files **Form O-MF** will be required to report each sale of gasoline and gasohol it makes and each gallon of gasoline or gasohol it uses on a new Line 13a of **Form O-MF**, while each distributor that files a paper **Form O-MF** will be required to report each sale of gasoline and gasohol it makes and each gallon of gasoline or gasohol it uses on Line 13 of **Form O-MF**.

³ So as to be clear, the motor vehicle fuels tax as it applies to propane, natural gas or diesel is not impacted by H. B. No. 5501. As such, distributors of propane, natural gas or diesel must remit the tax in connection any sales or use of such fuels and are authorized to collect such tax from their customers.

TSSB 2022-3.2

As noted above, each distributor that electronically files **Form O-MF** will be required to report each sale of gasoline and gasohol it makes and each gallon of gasoline or gasohol it uses on Line 13a of **Form O-MF**. To effectuate this change, the Department has modified **Form O-MF** to include a new Line 13a, as shown below:

It is important to understand that Line 13a will **only** be available on **Form O-MF** in **myconneCT**. Therefore, any distributor that files a paper **Form O-MF** for a monthly period between April 1, 2022, and June 30, 2022, will be required to report each sale of gasoline and gasohol it makes and each gallon of gasoline or gasohol it uses on Line 13 of **Form O-MF**.

The Department recognizes that distributors report certain tax-exempt sales (sales to farmers, licensed aviation fuel dealers, and to certain vessels engaged in interstate commerce) on Line 13 of **Form O-MF**. Distributors will continue to report such sales on Line 13 of **Form O-MF**. However, given the small number of transactions reported on Line 13 of **Form O-MF**, distributors will also report all sales and uses of gasoline and gasohol between April 1, 2022, to June 30, 2022, on said line. As a result, it is critically important that distributors identify the sales and uses of gasoline and gasohol reported on Line 13 of **Form O-MF** from the other items reported on said line. Distributors will distinguish their sales and uses of gasoline and gasohol on **Form MF-D, Motor Vehicle Fuels Tax Schedule of Disbursements**.

Form MF-D is a supplement to **Form O-MF**. To properly identify each sale of gasoline and gasohol made by a distributor and each gallon of gasoline or gasohol used by a distributor for a monthly period from April 1, 2022, to June 30, 2022, distributors must include the code “GTH” in the box titled “Schedule Type” on **Form MF-D**. The following illustrates how distributors should complete **Form MF-D** to report sales or use of gasoline and gasohol for a monthly period between April 1, 2022, and June 30, 2022:

Department of Revenue Services
State of Connecticut
PO Box 5031
Hartford CT 06102-5031
(Rev. 05/18)

Form MF-D Motor Vehicle Fuels Tax Schedule of Disbursements

Name of Licensed Distributor XXXXXXXXXXXXXXXXXXXX	CT Tax Registration Number XXXXXXXXXX-XXX	Federal Employer ID Number (FEIN) XX-XXXXXXX	Schedule Type GTH	Product Code 065	Month April 2022
--	--	---	----------------------	---------------------	---------------------

Types of Schedule	Product Codes
5 Taxable sales to licensed distributors	054 Propane
6 Nontaxable sales and transfers to licensed distributors	065 Gasoline
7 Sales and transfers out of Connecticut and sales in Connecticut for immediate export	072 Dyed kerosene
8 Gallons sold to U.S. government tax-exempt	052 Other
9 Gallons delivered to state and local government tax-exempt	125 Aviation gas
10 Nontaxable sales to farmers, dyed diesel sold to licensed marine fuel docks, other exempt purchases, and nontaxable use	130 Jet fuel
13 Dealer sales to governmental entities	139 Gasohol 10%
	142 Undyed kerosene
	150 #1 fuel oil
	152 Heating oil
	160 Undyed diesel
	224 Compressed natural gas (CNG)
	225 Liquid natural gas (LNG)
	228 Dyed diesel
	241 Ethanol
	284 Biodiesel, undyed

(1) Carrier Name	(2) Carrier FEIN	(3) Mode	(4) Point of Origin Destination	(5) Sold to	(6) Purchaser FEIN	(7) Date Sold	(8) Document Number	(9) Billed Whole Gallons
---------------------	---------------------	-------------	---------------------------------------	----------------	-----------------------	------------------	------------------------	-----------------------------

The amounts reported on Schedule “GTH” to **Form MF-D** must be carried forward to Line 13 of **Form O-MF**.

TSSB 2022-3.2

As explained above, distributors report certain tax-exempt sales (sales to farmers, licensed aviation fuel dealers, and to certain vessels engaged in interstate commerce) on Line 13 of **Form O-MF** and will continue to do so during the suspension period. Any such exempt sales made during the suspension period must be reported on Schedule 10 to **Form MF-D** and must be carried forward to Line 13 of **Form O-MF** where said sales will be combined with the amounts from Schedule “GTH” to **Form MF-D**.

No impact on tax-paid distributors: Certain distributors solely distribute motor vehicle fuels on which the motor vehicle fuels tax has already been paid. Such distributors report their activities on **Form O-MF 1, Tax-Paid Motor Vehicle Fuels Tax Return**. Given that these distributors do not collect or remit motor vehicle fuels tax on their sales or uses of gasoline or gasohol, the suspension of the motor vehicle fuels tax will have no impact on such distributors. As a result, tax-paid distributors will continue to report sales of gasoline and gasohol to other than licensed distributors on Line 7 of **Form O-MF 1**, sales of gasoline and gasohol to licensed distributors on Line 8 of **Form O-MF 1**, and their use of gasoline and gasohol on Line 9 of **Form O-MF 1**.

Reporting requirements for motor carriers that are IFTA-licensed and travel in Connecticut

Prior to the suspension period, any IFTA-licensed carrier that purchased gasoline or gasohol in Connecticut would have been eligible to claim a credit on the appropriate IFTA return for the motor vehicle fuels tax its paid on such products. As a result of the suspension, however, any IFTA-licensed carrier that purchases gasoline or gasohol in Connecticut during the suspension period will not be entitled to such a credit as it did not pay any motor vehicle fuels tax on such purchases. The following explains how IFTA-licensed carriers will report purchases of gasoline or gasohol in Connecticut during the suspension period.

IFTA-licensed carriers that are licensed in Connecticut and file their IFTA returns in **myconneCT**, should enter the purchases of gasoline or gasohol made in Connecticut during the suspension period as “Nontaxable” and “Non-IFTA Miles/Gallons” as follows:

- Select *Nontaxable Jurisdiction*, “Connecticut.”
- Select *Nontaxable Fuel Type*, “Gasoline” or “Gasohol.”
- Enter the total number of “Gasoline” or “Gasohol” gallons purchased in Connecticut. In the example below, 20,000 gallons are entered with a *Nontaxable Fuel Type* of Gasoline.
- Then select *Add*.

The screenshot shows the 'myconneCT' interface for filing an IFTA-100 International Fuel Tax Agreement Return. The main screen is titled 'IFTA-100 International Fuel Tax Agreement Return' and has a progress bar with two steps: 'Filing Information' (completed) and 'Nontaxable and Non-IFTA' (current step). Below the progress bar, there are instructions: 'For form instructions, please click here' and 'Provide Nontaxable/Non-IFTA Miles/Gallons'. A modal window titled 'Nontaxable and Non-IFTA Miles/Gallons' is open, showing a form with the following fields: 'Nontaxable Jurisdiction' (dropdown menu set to 'Connecticut'), 'Nontaxable Fuel Type' (dropdown menu set to 'Gasoline'), and 'Nontaxable Gallons' (text input field containing '20,000'). The modal has 'Cancel' and 'Add' buttons. The background interface includes a 'Cancel' button, a 'Save Draft' button, and a 'Next' button.

TSSB 2022-3.2

Select *Next* and then *Add a Record* for IFTA Jurisdictions as displayed below:

- Select “Connecticut” for *Jurisdiction*.
- Select “Gasoline” or “Gasohol” for *Fuel Type*.
- Enter the *Total Miles* and *Taxable Miles* and leave the *Tax Paid Gallons* blank. In this example, the *Fuel Type* was Gasoline and the *Total Miles* and *Taxable miles* were 100,000 miles.
- *Tax Paid Gallons* will be zero (“0”).
- *Net Taxable Gallons* will automatically populate.
- Leave the box unchecked.
- Select *Add*.

IFTA Jurisdictions ? ×

Jurisdiction	Fuel Type
Connecticut	Gasoline
Total Miles	Taxable Miles
100,000	100,000
Taxable Gallons	Tax Paid Gallons
20,000	0
Net Taxable Gallons	
20,000	
<input type="checkbox"/> Check here to reduce the number of Taxable Miles , due to having non-taxable miles traveled to report. Please provide explanation of this reduction in miles.	
Reduced Taxable Miles Reason	

Cancel Add

- Enter other jurisdictions as applicable.
- When all jurisdictions are entered select *Next*, and your return amount due/credit will be calculated.

Regardless of whether an IFTA-licensed carrier purchases gasoline or gasohol during the suspension period, any IFTA-licensed carrier that travels in Connecticut during said period is responsible for reporting and remitting tax based on the miles traveled in Connecticut. As a result, any IFTA-licensed carrier that travels in Connecticut during the suspension period is responsible for remitting tax at the rate of twenty-five cents per gallon of the fuel used while traveling within Connecticut.

Note: The first IFTA return that will be impacted by the suspension of the motor vehicle fuels tax applicable to gasoline and gasohol is due August 1, 2022, and will cover the months of April, May and June 2022.

TSSB 2022-3.2

As H.B. No. 5501 was just signed into law by Governor Lamont, the Department recognizes that taxpayers and practitioners will likely have questions about the scope and application of this legislation. Taxpayers and practitioners are encouraged to send any questions they may have about H. B. No. 5501 to the Department. To this end, taxpayers and practitioners should direct any questions regarding the suspension of the motor vehicle fuels tax applicable to gasoline and gasohol to the Business Tax Subdivision/Excise Tax Field Unit at **860-541-3224**, Monday through Friday, 8:30 a.m. to 4:30 p.m.

The Department is committed to addressing any and all questions it receives regarding H. B. No. 5501 as quickly as possible and will update this Bulletin with additional guidance as it becomes available.

Effective Date: Upon issuance.

Effect on Other Documents: None.

For the Latest News: Visit the DRS website at portal.ct.gov/DRS.

E-Services Update

Use **myconneCT** to file taxes, make payments, view filing history, and communicate with the agency simply and more efficiently on virtually any mobile device, including laptops, tablets, and smartphones, 24 hours a day, 7 days a week. For updated information, please visit the DRS website at portal.ct.gov/DRS-myconneCT.

TSSB 2022-3.2
Motor Vehicle Fuels Tax
Issued: 06/10/2022