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### TAXPAYER SERVICES SPECIAL BULLETIN

# Frequently Asked Questions Concerning IFTA Filing Requirements for the Periods January of 2023 Through May of 2023

The purpose of this publication is to provide guidance as to how IFTA carriers are to calculate and report the credit for taxes paid on gasoline and gasohol purchased in Connecticut during the period from January of 2023 through May of 2023.

## 1. What is the authority for the incremental reinstatement of the motor vehicle fuels tax on gasoline and gasohol?

The General Assembly enacted legislation (2022 Conn. Pub. Acts 1, § 1 (November Special Session)) that incrementally reinstates the motor vehicle fuels tax on gasoline and gasohol.

#### 2. How will the motor vehicle fuels tax on gasoline and gasohol be reinstated?

The motor vehicle fuels tax on gasoline and gasohol will be incrementally reinstated as follows. Effective January 1, 2023, the motor vehicle fuels tax on gasoline and gasohol will be imposed at the rate of five cents per gallon. The motor vehicle fuels tax on gasoline and gasohol will be incrementally reinstated to ten cents per gallon effective February 1, 2023, to fifteen cents per gallon effective March 1, 2023, to twenty cents per gallon effective April 1, 2023, and to twenty-five cents per gallon effective May 1, 2023. According to the legislation, and notwithstanding any subsequent legislative action, the twenty-five cents per gallon rate is scheduled to remain in effect and apply to any sale or use of gasoline and gasohol on and after May 1, 2023.

#### 3. Will IFTA-licensed carriers in Connecticut be entitled to a credit for the tax paid?

Yes, any IFTA-licensed carriers in Connecticut that purchases gasoline or gasohol in Connecticut will be entitled to a credit. The manner in which an IFTA-licensed carrier in Connecticut reports gallons as tax paid and gallons as tax free for the periods January through May, is explained in Question 4.

# 4. How do IFTA-licensed carriers in Connecticut file returns in myconneCT for the periods January of 2023 through May of 2023?

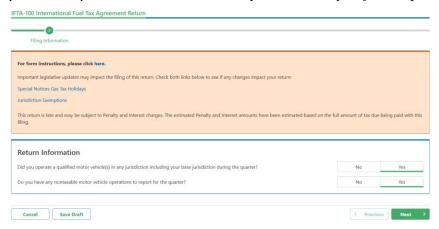
The calculation for each month's gallons reported as tax paid and gallons reported as tax free is dependent upon the tax rate for the month in which the gallons are purchased. The example below shows how to calculate the percentage of total gallons to be applied to tax paid gallons and percentage to be applied to tax free gallons for each of the January through May periods.

Column	Column	Column	Column	Column	Column	Column	Column	Column	Column
Α	В	С	D	E	F	G	Н	1	J
		(B x \$ 0.25)			(B x % from E)	(B x D)		(B x % from H)	(I x \$ 0.25)
					Gallons			Gallons	Tax Due on
				% of Total Gallons	Reported as		% of Total Gallons	Reported as	Tax Free
Month	Gallons	Total Tax Due	Tax	which are Tax Paid	Tax Paid	Tax Paid	which are Tax Free	Tax Free	Gallons
January	800	\$ 200.00	\$ 0.05	20% of Total Gallons	160	\$ 40.00	80% of Total Gallons	640	\$160.00
February	800	\$ 200.00	\$0.10	40% of Total Gallons	320	\$ 80.00	60% of Total Gallons	480	\$120.00
March	800	\$ 200.00	\$0.15	60% of Total Gallons	480	\$ 120.00	40% of Total Gallons	320	\$80.00
April	800	\$ 200.00	\$0.20	80% of Total Gallons	640	\$ 160.00	20% of Total Gallons	160	\$40.00
May	800	\$ 200.00	\$0.25	100% of Total Gallons	800	\$ 200.00	0% of Total Gallons	0	\$0.0
June	800	\$ 200.00	\$0.25	100% of Total Gallons	800	\$ 200.00	0% of Total Gallons	0	\$0.0

#### 5. How is the IFTA return completed in myconneCT for the January through May monthly periods?

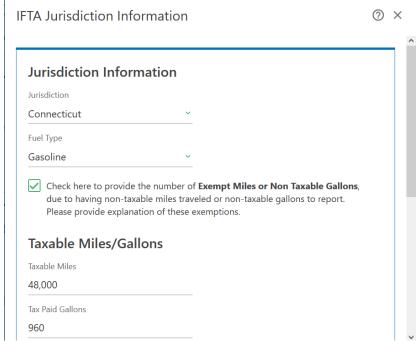
If gasoline or gasohol was purchased in Connecticut, the return should be completed as follows:

Select "Yes," for Do you have any nontaxable motor vehicle operations to report for the quarter?



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

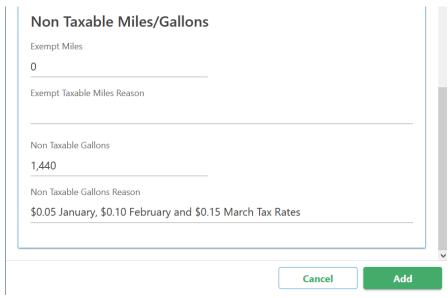
- Select "Connecticut" for Jurisdiction.
- Select "Gasoline" or "Gasohol" for Fuel Type.
- Check the box for Exempt Miles or Non-Taxable Gallons.



Using the information in the example above, how to calculate the percentage of total gallons, Quarter 1 2023 would be entered as follows:

- Enter *Taxable Miles*. In this example 48,000 miles was used.
- Tax Paid Gallons will be 960. Added figures from January March (160, 320 and 480) from Column F.

Non-Taxable Gallons will be 1,440. Added figures from January – March (640, 480 and 320) from Column I.



- Enter Non-Taxable Gallons Reason. In this example, months and rates used were stated.
- Then select *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 period of January of 2023 through May of 2023, 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 is responsible for remitting tax at the rate of twenty-five cents per gallon of the fuel used while traveling within Connecticut.

**Note:** Quarter 1 and Quarter 2 2023 IFTA returns will be impacted by the monthly changes in the tax rate for the motor vehicle fuels tax applicable to gasoline and gasohol. Quarter 1 2023 is due May 1, 2023, and will cover the months of January, February, and March 2023. Quarter 2 2023 is due July 31, 2023, and will cover the months of April, May, and June 2023.

#### **Related Forms and Publications**

See the following updated forms and publications on the Department of Revenue Services' website at **portal.ct.gov/DRS**:

#### **Publications**

- Special Notice 2022(6), Summary of Legislative Changes to the Motor Vehicle Fuels Tax Made During the November 2022 Special Session
- Taxpayer Services Special Bulletin 2022-3.2, Motor Vehicle Fuels Tax Not Applicable to Gasoline and Gasohol Between April 1, 2022 and June 30, 2022

#### **Forms**

- Form OM-F, Motor Vehicle Fuels Tax Return
- Form O-MF 1, Tax-Paid Motor Vehicle Fuels Tax Return
- Form AU-724, Motor Vehicle Fuels Tax Refund Claim Off Highway, Manufacturing, Governmental, School Bus, and Waste Hauling Use
- Form AU-725, Motor Vehicle Fuels Tax Refund Claim Farm Use
- Form AU-736, Motor Vehicle Fuels Tax Refund Claim Motor Bus, Taxicab, and Livery

- Form AU-737, Motor Vehicle Fuels Tax Refund Claim Airport Service Motor Bus
- Form AU-738, Motor Vehicle Fuels Tax Refund Claim Nutrition Program
- Form AU-741, Motor Vehicle Fuels Tax Refund Claim Commuter Vans

**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 2023-2 Motor Vehicle Fuels Tax Issued: 03/31/2023