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SPECIAL NOTICE

Changes to the Conversion Factors on Motor Vehicle Fuels Occurring in Gaseous Form

Purpose: This Special Notice describes the changes made during the 2014 legislative session to the conversion factors on motor vehicle fuels occurring in gaseous form.

Effective Date: Upon passage. This Act was signed into law on June 11, 2014, and the conversion factors become effective on July 1, 2014.

Statutory Authority: 2014 Conn. Pub. Acts 155, §2.

Conversion Factors for Fuels in Gaseous

Form: This legislation requires the Department of Revenue Services (DRS), in consultation with the Department of Energy and Environmental Protection (DEEP), no later than June 15 of every year, to establish the conversion factors to be used in the computation of tax on motor vehicle fuels occurring in gaseous form. Each conversion factor so established shall be applicable from July 1 and for the following 12-month period. Each conversion factor must be consistent with any applicable federal conversion factor. The conversion factors are used to convert measures of fuels occurring in gaseous form to a liquid gallon equivalent for purposes of the motor vehicle fuels tax.

Compressed Natural Gas:

In accordance with 2014 Conn. Pub. Acts 155, § 2, and consistent with the federal standard, the conversion factor imposed on compressed natural gas (CNG) is as follows:

- 1 gallon natural gas = 126.67 cubic feet.

Compressed Propane:

Unlike compressed natural gas, there is currently no federal standard for compressed propane. Accordingly, the current conversion factor for the computation of motor vehicle fuels tax on compressed propane (gaseous form) remains as set forth in Conn. Agencies Regs. §12-455a-1. As such, the conversion factor for compressed propane (gaseous form) at 14.73 lbs. of pressure per square inch (psi) and 60 degrees Fahrenheit is as follows:

- 1 gallon propane = 35.97 cubic feet propane

Special Rules for Propane:

Any change to the conversion factor for compressed propane would only apply to propane used exclusively in motor vehicles owned by the purchaser of such propane and provided that it is stored in a cylinder or tank owned by the purchaser.

Annual Notice: In accordance with 2014 Conn. Pub. Acts 155, §2, the Commissioner will issue an administrative pronouncement by June 15 of each year to set the applicable conversion factors.

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

Effect on Other Documents: Form OP-216, *Special Fuel Tax Return. Policy Statement 92 (10.1), Tables and Equivalents for Natural Gas and Propane for Motor Vehicle Fuels Tax Purposes*, is modified and superseded.

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 the DRS.

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 *Sign up for e-alerts* under *How Do I?* on the gold navigation bar.
