



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

SN 2002(6)

25 Sigourney Street
Hartford CT 06106-5032

SPECIAL NOTICE

Motor Vehicle Fuels Tax Changes as of July 1, 2002 and August 1, 2002

Purpose: This Special Notice provides information about the expiration of the exemption from the motor vehicle fuels tax for liquefied petroleum gas (propane) and natural gas. It also provides information about the increase of the motor vehicle fuels tax rate for diesel fuel, propane, and natural gas.

Effective Date: Propane and natural gas are subject to motor vehicle fuels tax effective July 1, 2002. The increase in the tax rate for diesel fuel, propane, and natural gas is effective August 1, 2002.

Statutory Authority: Conn. Gen. Stat. §12-458(a)(2)(C), as amended by 2002 Conn. Pub Acts 1, §71 (May 9 Spec. Sess.); Conn. Gen. Stat. §12-458f; and Conn. Agencies Regs. §12-455a-1.

Expiration of Tax Exemption for Propane and Natural Gas: Effective July 1, 2002, the motor vehicle fuels tax exemption in Conn. Gen. Stat. §12-458f for “compressed natural gas, liquefied petroleum gas [propane] and liquefied natural gas” has expired. Therefore, as of this date, propane and natural gas are subject to the motor vehicle fuels tax.

From July 1, 2002 through July 31, 2002, propane and natural gas (compressed or liquefied) suitable for the generation of power to propel motor vehicles are taxable **at the rate of 18¢ per gallon**, under Conn. Gen. Stat. §12-458(a)(2)(C), which currently imposes tax on “diesel fuel, propane or natural gas sold or used in this state” at that rate. **Effective August 1, 2002,** propane and natural gas will be taxed **at the rate of 26¢ per gallon.**

To calculate the gallon equivalents of fuels in gaseous form, see Conn. Agencies Regs. §12-455a-1, *Computation of tax on motor vehicle fuels in gaseous form.*

Tax Rate Increase: Effective **August 1, 2002,** the motor vehicle fuels tax rate on the sale or use of diesel fuel, propane, and natural gas will increase from 18¢ to 26¢ per gallon.

No Change in Gasoline or Gasohol Tax Rates: The motor vehicle fuels tax rates on gasoline and gasohol will not change on August 1, 2002. The tax rate for gasoline will remain 25¢ per gallon, and the tax rate for gasohol will remain 24¢ per gallon.

Revised Tax Returns: Motor vehicle fuels tax returns that reflect the rate changes will be mailed to all distributors.

Effect on Other Documents: None affected.

Effect of This Document: A Special Notice is a document that 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 and may be referred to for general guidance by taxpayers or tax practitioners.

For Further Information on Motor Vehicle Fuels Tax: Call the Excise/Public Services Taxes Subdivision at **860-541-3225** during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday.

For Further Information: Please call DRS during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (from anywhere)

TTY, TDD, and Text Telephone users only may transmit inquiries 24 hours a day by calling 860-297-4911.

Forms and Publications: Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: www.drs.state.ct.us

- **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** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone.

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