



25 Sigourney Street  
Hartford CT 06106-5032

SPECIAL NOTICE

**2005 and 2007 Legislative Changes Affecting the Motor Vehicle Fuels Tax and the Petroleum Products Gross Earnings Tax Effective July 1, 2007**

**Purpose:** This Special Notice describes changes made to the motor vehicle fuels tax during the 2007 session of the Connecticut General Assembly and the changes made to the petroleum products gross earnings tax during the 2005 and 2007 session of the Connecticut General Assembly that will take effect July 1, 2007.

**Effective Date:** The effective dates of the legislative changes are noted in this publication.

**Statutory Authority:** Conn. Gen. Stat. §12-458(a)(2), as amended by 2007 Conn. Pub. Acts 199, §1, and House Bill No. 8001, §135, of the June 2007 Spec. Sess.; and Conn. Gen. Stat. §12-587(b)(2), as amended by 2005 Conn. Pub Acts 4, §40 of the June 2005 Spec. Sess., 2006 Conn. Pub. Acts 143, §2, 2007 Conn. Pub. Acts 199, §2, and House Bill No. 8001, §137, of the June 2007 Spec. Sess.

**Tax Rate for Diesel Fuel:** Effective July 1, 2007, the motor vehicle fuels tax rate on the sale or use of diesel fuel increases from 26¢ to 37¢ per gallon.

No floor tax is being imposed on the inventory of diesel fuel as of the close of business on June 30, 2007.

The tax rate on gasohol will remain 25¢ per gallon. The tax rate on natural gas and propane will remain 26¢ per gallon.

**New Exemption from Petroleum Products Gross Earnings Tax for Most Diesel Fuel:** Effective July 1, 2007, gross earnings from the first sale within Connecticut of diesel fuel (other than

diesel fuel to be used in an electric generating facility to generate electricity) are exempt from the petroleum products gross earnings tax.

**Incremental Rate Increase for Petroleum Products Gross Earnings Tax:** Effective for calendar quarters beginning on or after July 1, 2007, gross earnings of companies engaged in the refining or distribution, or both, of petroleum products from the first sale within Connecticut of petroleum products are taxed at the rate listed below:

On or After	But Before	The Tax Rate Is
July 1, 2007	July 1, 2008	7.0 %
July 1, 2008	July 1, 2013	7.5%
July 1, 2013		8.1%

**New Refund Rate for Certain Uses of Diesel Fuel:** Effective July 1, 2007, for those claims determined by the commissioner to be eligible for refund, the refund rate for diesel fuel used other than in motor vehicles licensed or required to be licensed to operate upon the public highways of this state is 26¢ per gallon. This refund rate does not apply to a person engaged in the business of farming.

**Effect on Other Documents:** The following forms will be revised to reflect the rate increases or exemptions discussed in this Special Notice: **Form OP-161**, *Petroleum Products Gross Earnings Tax Return*; **Form OP-218**, *Petroleum Products Gross Earnings Tax, Tax Certification to Products Purchased in Connecticut But Sold Out of State*; **Form OP-219** *Petroleum Products Gross Earnings Tax, Gross Earnings - Out-of-State Affidavit With*

*Reference to the Sales of Petroleum Products Sold Exclusively for Sale or Use in Another State; CERT-116, Exempt Petroleum Products Certificate, Form OP-216, Special Fuel Tax Return; AU-724, Motor Vehicle Fuels Tax Refund Claim Off Highway, Governmental, School Bus, Marine and Commercial; AU-725, Motor Vehicle Fuels Tax Refund Claim Farm Use; AU-736, Motor Vehicle Fuels Tax Refund Claim, Motor Bus, Taxicab, & Livery; AU-737, Motor Vehicle Fuels Tax Refund Claim, Airport Service Motor Bus; AU-738, Motor Vehicle Fuels Tax Refund Claim, Nutrition Program; and AU-741, Motor Vehicle Fuels Tax Refund Claim, Commuter Van.*

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**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 Department of Revenue Services (DRS).

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**For More Information on the Petroleum Products Gross Earnings Tax, Motor Vehicle Fuels Tax or This Special Notice:** For more information on the petroleum products gross earnings tax or this Special Notice, call the Excise Taxes Unit of the Audit Division at 860-541-3224 from 8:30 a.m. to 4:30 p.m., Monday through Friday.

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**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.

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

- **Internet:** Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) to download and print Connecticut tax forms; **or**
  - **Telephone:** Call **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only) and select **Option 2** from a touch-tone phone, or call **860-297-4753** (from anywhere).
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**Paperless Filing/Payment Methods (fast, easy, free, and confidential):**

- **For business returns:** Use *Fast-File* to file sales and use taxes, business use tax, room occupancy tax, estimated corporation business tax, business entity tax, attorney occupational tax, nursing home provider fee, admissions and dues tax, or withholding tax returns over the Internet. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*.
  - **For payment of business taxes other than those listed above:** Use *Fast-File* to pay your business taxes over the Internet or by phone. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *Electronic Services* for a list of eligible taxes. The ACH debit method is used to make the transfer. No preregistration is required.
  - **For resident income tax returns:** Use *WebFile* to file personal income tax returns over the Internet. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*.
  - **For electronic filing of income tax extensions, estimated payments, and for electronic bill payments:** Use *WebFile* to electronically file personal income tax returns over the Internet. You can also use *WebFile* to make an electronic income tax payment for a prior year. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*.
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