

STATE TAX CHANGES FOR 2014*

COLORADO

Effective January 1, 2014 Liquefied Petroleum Gas (LPG), Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) used as fuel will no longer be taxed at the special fuel tax rate. Instead, the tax rates for these fuels will be \$0.03 per gallon for LPG and LNG and \$0.03 per gallon equivalent for CNG. A gallon equivalent is measured using the volumetric reporting requirement currently included in the federal excise return, Form 720, which is 126.67 cubic feet per gallon equivalent. The tax rates for these fuels will change annually through 2019.

In addition to the change in the tax rates, Colorado is also implementing a Liquefied Petroleum Gas and Natural Gas Inspection Fee. The fee will be imposed on LPG, CNG and LNG at a rate of \$10 per tank truckload. A truckload is defined as 8,000 gallons or gallon equivalent with the fee being calculated on a per gallon or gallon equivalent basis. This fee takes effect on January 1, 2014 and replaces the current LPG/NG decal program which is eliminated effective January 1, 2014.

FLORIDA

Effective January 1, 2014, the Florida statewide tax rates on motor fuel (gasoline) and diesel fuel are increased from \$0.169 per gallon to \$0.171 per gallon. The state tax rate on aviation fuel remains at \$0.069 per gallon. The minimum local option fuel tax on each gallon of motor fuel sold to licensed wholesalers is increased from \$0.109 per gallon to \$0.11 per gallon while the \$0.00125 per-gallon inspection fee is unchanged. The total statewide fuel tax for 2014 will be \$0.28225 per gallon for gasoline and diesel.

With respect to county motor fuel tax rates, the gasoline rate differs by county and can be found on the attached chart at the link below. The county tax rate for diesel is uniform and is increased from \$0.141 per gallon to \$0.142 per gallon. Wholesalers must remit to the Florida Department of Revenue the county tax rate above the minimum \$0.11 per gallon local option fuel tax on motor fuel sold to retail dealers or end-users.

The pollutants tax remains the same at \$0.87 per barrel.

Full details of the rate changes can be found at: http://dor.myflorida.com/dor/tips/pdf/13b05-01_chart.pdf

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GEORGIA

The prepaid state tax to be collected by motor fuel distributors selling motor fuel to unlicensed entities has been set at the following rates for the period January 1, 2014 – June 30, 2014

(https://etax.dor.ga.gov/salestax/bulletins/Bulletin-Prepaid_State_Tax-January_1_2014.pdf):

Fuel Type	3% Prepaid State Tax (Sales to State, Local and Municipal Governments)	4% Prepaid State Tax
Gasoline	\$0.0088 per gallon	\$0.118 per gallon
Diesel	\$0.104 per gallon	\$0.138 per gallon
Aviation Gasoline	\$0.162 per gallon	\$0.216 per gallon
LPG	\$0.059 per gallon	\$0.078 per gallon
Special Fuel	\$0.087 per gallon	\$0.116 per gallon

The prepaid local tax average retail sales prices to be collected by motor fuel distributors selling motor fuel to unlicensed entities has been set at the following rates for the period January 1, 2014 – June 30, 2014 (https://etax.dor.ga.gov/salestax/bulletins/Bulletin-Prepaid_Local_Tax-January_1_2014.pdf):

Fuel Type	Average Retail Sales Price
Gasoline	\$2.946 per gallon
Diesel	\$3.458 per gallon
Aviation Gasoline	\$5.409 per gallon
LPG	\$1.945 per gallon
Special Fuel	\$2.897 per gallon

KENTUCKY

For the quarter January 1, 2014 – March 31, 2014, the combined tax rate for the Kentucky variable motor fuels normal tax and "Supplemental Highway User Motor Fuel" tax will decrease to \$0.294 per gallon on gasoline and liquefied petroleum gas and to \$0.264 per gallon on special fuels. Adjustments to taxes due will be necessary for gasoline and special fuels held in bulk storage at the beginning of business January 1, 2014. The .015 rate adjustments should be made in PART II (Tax computation) of the January 2014 reports filed by February 25, 2014.

The Petroleum Storage Tank Environmental Assurance Fee for the same quarter is \$0.014 cents per gallon.

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MINNESOTA

On January 1, 2014 rack sales of gasoline, diesel and dyed diesel to government entities will no longer be tax free. A government entity will be able to purchase dyed diesel tax free if it has a special fuel license.

NEVADA

Effective January 1, 2014, Liquefied Natural Gas (LNG) will be taxed as a special fuel at a rate of \$0.27 per gallon. Also effective January 1, 2014, Compressed Natural Gas (CNG) will be taxed using a gallon equivalent factor. *126.67 cubic feet of natural gas (5.660 pounds of natural gas) shall be deemed to equal 1 gallon of special fuel.* The CNG taxable gallons will be multiplied by a conversion factor of .0789452 and then multiplied by the tax rate of 21 cents.

NEW YORK

New York has published its petroleum business tax rates for 2014. Beginning January 1, tax rates will \$0.184 per gallon for gasoline and \$0.1665 per gallon for diesel fuel. B20 to be used on the highways will be taxed at a rate of \$0.1332 per gallon. There are no changes to the motor fuel tax or prepaid sales tax rates. The full schedule of tax rates are in Publication 908 which can be found at <http://www.tax.ny.gov/pdf/publications/multi/pub908.pdf>

The tax rates for 2014 for commercial vessels can be found at <http://www.tax.ny.gov/pdf/publications/multi/pub908cv.pdf>

OHIO

Effective July 1, 2014 receipts from the sale, transfer, exchange or other disposition of motor fuel will be exempt from the Commercial Activity Tax (CAT). Instead, a Petroleum Activity Tax (PAT) will be imposed on the gross receipts from the first sale, transfer, exchange or other disposition of motor fuel to a point outside the bulk terminal system in Ohio. The tax rate will be 0.65%. There will be no annual minimum tax or any exclusion corresponding to the annual minimum tax.

The PAT is imposed on the “supplier” which is defined as a person who:

- (1) Sells, transfers, or otherwise distributes motor fuel from a terminal or refinery rack to a location in this state and that point is outside of a distribution system; or
- (2) Imports or causes the importation of motor fuel for sale, exchange, transfer, or other distribution by the person to location in this state and that point is outside of a distribution system.

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Excluded from the definition of “gross receipts” are (1) sales by a supplier to a point outside Ohio; (2) federal excise taxes; (3) bad debts; and (4) accounts receivable.

All suppliers subject to the PAT must apply for a license on or before March 1, 2014. The license should be renewed annually. License fees apply.

Detailed information on the PAT can be found at:

http://www.tax.ohio.gov/Portals/0/commercial_activities/information_releases/CAT%202013-04%20rev%2010-25.pdf

Also effective July 1, 2014, the Ohio Department of Taxation intends to require all motor fuel taxpayers and file and pay taxes electronically:

http://www.tax.ohio.gov/excise/information_releases/xt_2013_01/xt_2013_03.aspx

PENNSYLVANIA

Effective January 1, 2014, the \$0.12 per gallon Liquid Fuel and Fuel Tax will be eliminated and the State will tax gasoline and diesel fuel solely through the Oil Company Franchise Tax collected by licensed distributors on sales to unlicensed entities. The Oil Company Franchise Tax is set to increase annually under the law. The law does not state any changes to the taxation of jet fuel.

The new law prescribes an annual increase in both the millage rate and the average wholesale price of fuel on which the tax rate is determined. The millage rate is increased by an additional 64 mills in calendar year 2014, 49 mills in calendar year 2015, 48 mills in calendar year 2016, 41 mills in calendar year 2017, and 39 mills in each succeeding calendar year. The average wholesale price of fuel will increase to \$1.87 after December 31, 2013, and before January 1, 2015; \$2.49 after December 31, 2014, and before January 1, 2017; and after December 31, 2016, the average wholesale price will be determined by the Department of Revenue, but in no case will the average wholesale price be less than \$2.99 per gallon.

Based on this, the Oil Company Franchise Tax rates for calendar years 2014 through 2016 will be as follows:

Gasoline

	Total Mills Per Gallon	Wholesale Price of Fuel	Tax Rate (Rounded to Next Highest Tenth)
2014	217.5	\$1.87	\$0.407
2015	202.5	\$2.49	\$0.504
2016	201.5	\$2.49	\$0.502
2017	194.4	TBC	TBC
2018	192.5	TBC	TBC

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Diesel

	Total Mills Per Gallon	Wholesale Price of Fuel	Tax Rate (Rounded to Next Highest Tenth)
2014	272.5	\$1.87	\$0.510
2015	257.5	\$2.49	\$0.641
2016	256.5	\$2.49	\$0.639
2017	249.5	TBC	TBC
2018	247.5	TBC	TBC

VIRGINIA

Virginia's motor fuel tax rates for the period January 1, 2014 – June 30, 2014 will be:

Fuel Type	Tax Rate
Gasoline	\$0.111 per gallon
Diesel	\$0.202 per gallon
Blended Fuels (Gasoline)	\$0.111 per gallon
Blended Fuels (Diesel)	\$0.202 per gallon
Aviation Fuel	\$0.05 per gallon (reduced to \$0.005 per gallon after the first 100,000 gallons)
Alternative Fuel	\$0.111 gasoline gallon equivalent

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