

## **GAS TAX REFUND GENERAL FAQ**

### **What is the purpose of the gasoline tax refund program?**

The State of California imposes a motor vehicle fuel tax per gallon purchased. The law allows for a refund of the gasoline tax paid if the fuel is used for “qualifying off-highway” purposes. The State Controller's Office (SCO) processes gasoline tax refund claims.

### **What is the amount of gasoline tax that may be refunded?**

Each new fiscal year the California Department of Tax and Fee Administration (formerly the Board of Equalization) may adjust the rate of the motor vehicle fuel excise tax. Please refer to the Excise Tax Rates table on the informational page.

Para-transit claims will continue to be refunded at a rate of \$0.06 cents per gallon.

### **What types of fuel are considered “gasoline”?**

Gasoline includes finished gasoline and gasoline blendstocks. Note that the term “motor vehicle fuel” is often used in place of gasoline. Finished gasoline means all products (including gasohol) that are normally known or sold as gasoline. Gasoline does not include jet fuel, diesel fuel, kerosene, liquefied petroleum gas, natural gas in liquid or gaseous form, alcohol or racing fuel.

### **May individuals, businesses and other types of organizations qualify for refund?**

Yes. Individuals, businesses (corporations, partnerships, sole proprietors, etc.), non-profit organizations, governmental entities, and other entities that have purchased and used gasoline for “qualifying off-highway purposes” may file for a refund. All claimants must have paid the California gasoline tax to qualify for a refund.

### **What is the time limit for claiming a refund?**

Refund claims must be filed within three years from date of gasoline purchase.

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**Is the gasoline tax paid on fuel spilled or wasted while performing a qualifying activity refundable?**

No.

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### **What are some activities that may use gasoline in a qualifying manner for which a refund can be claimed?**

A few common activities that may use gasoline for refundable purposes include:

- Exportation of fuel out of state
- Construction
- Farming
- Vessel operated on waters located on private property owned or controlled by the claimant
- Commercial fishing (in ocean beyond the three mile limit)
- Utility company operations
- Golf course maintenance
- Paratransit operations
- Driving a personal vehicle on a military installation
- Blended fuel production

### **Does off-highway, recreational use in a vehicle qualify for refund?**

No. The purpose of off-highway, recreational usage as defined in Motor Vehicle Fuel Tax Law Section 8101(a) does NOT qualify for a refund. This rule also applies to vehicles rented or leased for off-highway, recreational purposes.

### **Is the tax paid for gasoline used in vehicles driven on roads within a military installation refundable?**

The tax paid on gasoline that is used in personal vehicles driven on streets or roads within the controlled boundaries of a military installation is refundable except for the tax paid on gasoline used on state highways traversing a military installation. Copies of purchase invoices are required in order to be eligible for a refund.

### **May a refund be claimed for motor vehicle fuel used to propel an aircraft in California?**

No.

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### **Is a refund available for the tax paid on gasoline used in a vessel?**

Refunds of the tax paid on gasoline are available if used in propelling a vessel operated by its owner on waters located on private property owned or controlled by the claimant or if the vessel is used in the ocean beyond the three mile limit.

You must provide the location of where the vessel is launched on Form SCGR-1. Gasoline used from the point of launch to the three mile limit and back is not refundable and should be indicated on line 8 of the Form SCGR-1.

### **Who is eligible for the gasoline tax refund for blended fuel?**

Senate Bill 1485 introduced by Senator Kehoe was approved by the Governor on September 23, 2012, which amended the Revenue and Taxation Code section 8101 and added subsection 8101(h).

Section 8101(h) states; “any person who buys and uses tax paid motor vehicle fuel for the purpose of producing a blended fuel that will be used to operate motor vehicles upon the public highways of the state that is taxed under Part 3 (commencing with section 8601) of Division 2. To be eligible, a person must show that the applicable California fuel tax has been paid and must submit the refund application request on or after January 1, 2011.”