

TAX RATE CHANGE Q&A for MOTOR VEHICLE FUEL DEALERS

Motor Vehicle Fuel tax is based on sales, use and distribution in Oregon. For inventory of "Tax-Paid Fuel," you do not have to 'catch up' the \$0.06 additional tax at the end of the year. Sales, use or distribution on or after January 1, 2011 will be taxed at the new rate of \$0.30 per gallon.

EXAMPLE 1:

If you purchase in 2010 "Tax-Paid" gasoline and place it in tax-paid storage, you will only pay the \$0.24 per gallon tax rate on your December 2010 motor vehicle fuel dealer tax report. Taxable sales, after 2010, reported on Schedule 5 (5.1, 5.2, and 5.3) will be taxed at the \$0.30 per gallon tax rate.

EXAMPLE 2:

Fuel delivered to your own service stations or cardlocks as of December 31, 2010 are taxed at the \$0.24 per gallon rate. Fuel delivered after December 31, 2010 is taxed at the new rate of \$0.30 per gallon.

The Oregon tax rate change does not effect motor vehicle fuel taxes in local jurisdictions or sales of aircraft fuels.

If you have additional questions or comments regarding the tax increase, please contact us at:

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