NOTICE TO PERSONS WHO USE OR SELL COMPRESSED NATURAL GAS (CNG) OR PROPANE FOR USE IN OPERATING MOTOR VEHICLES ON PUBLIC ROADS

Oregon Revised Statute 319.530 (2) and 319.530 (3) describe the tax computation procedure for Compressed Natural Gas (CNG) and Propane used or sold in a gaseous state for use in operating motor vehicles on public roads.

> ***319.530 Imposition of tax; rate.*** *(1) To compensate this state partially for the use of its highways, an excise tax hereby is imposed at the rate of 24 cents per gallon on the use of fuel in a motor vehicle. Except as otherwise provided in subsections (2) and (3) of this section, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.*
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> *(2) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.*
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> *(3) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the same rate as a gallon of other liquid fuel. [Amended by 1959 c.188 §2; 1967 c.463 §2; 1981 c.698 §2; 1981 c.703 §2; 1983 c.727 §§2,6; 1985 c.209 §13; 1987 c.899 §§9,11,15; 1989 c.865 §2; 1991 c.497 §§8,9; 1995 c.311 §1]*

In order to accurately report the sale or use of these fuels on your Tax Report, the following formulas are provided:

CNG Example:

5,000 gallons used or sold ÷ 1.2 = 4,167 taxable gallons.

Propane Example:

5,000 gallons used or sold ÷ 1.3 = 3,846 taxable gallons.

If you require more information regarding this notice or the procedure it entails, please call the Oregon Department of Transportation, Fuels Tax Group at (503) 378-8150.

If you would like more information on the State of Oregon Fuels Tax Program, please visit our website at:

www.oregon.gov/ODOT/CS/FTG