What if I no longer need a license?

If licensees think they no longer meet the criteria mandating licensing, they may request to cancel their license. The license may be canceled only after ODOT reviews the request. The department may also cancel a license based on the ORS 319 criteria and will notify the license holder should this occur.

ODOT may also, if warranted, suspend a license until compliance with ORS 319 is met. If compliance is not met, the department may revoke the license.

Are there exceptions to paying Fuels Tax?

Certain vehicles normally subject to fuels tax requirements may be exempt from tax if certain conditions are met as prescribed in ORS 319. For example, use fuel used in unlicensed or off-road equipment for farming activities may be exempt.

Additionally, motor vehicle fuel not used to propel a motor vehicle on public roads and highways is not subject to taxation. Any taxes paid on motor vehicle fuel used in such a manner may be refundable.

Will ODOT inspect my operations and records?

ODOT has assigned the Fuels Tax Group the responsibility to manage fuels tax licensing and reporting activities. This is accomplished by periodic reviews and audits of licensee's operations, records and supporting documentation.

Our Mission

Our mission is to consistently and fairly administer fuels tax laws for funding a safe, efficient transportation system that supports economic opportunity and livable communities for all Oregonians.

How do I contact ODOT's Fuels Tax Group?

You may contact us via e-mail at:
odotfuelstax@odot.state.or.us

You may also call us at:
1-888-753-2525

Please visit our website for more information at:
http://fuelstax.oregon.gov/

Related Information:
www.oregon.gov/ODOT/COMM/docs/BudgetBooklet_09-11.pdf

www.oregon.gov/COMM/Key_Facts/key_facts_webFINAL.pdf

For Your Information provides general information regarding Oregon's fuels tax laws. Although this booklet is a good faith effort to provide accurate information, the information is not binding on the Oregon Department of Transportation, nor does it replace, alter or supersede Oregon law or regulations.

Form No. 734-2820 Rev. (08/10)

Oregon Fuels Tax

For Your Information

Oregon Department of Transportation

What does Fuels Tax do?

Fuels tax provides funds to build, maintain and repair Oregon's interstates, highways, bridges and other transportation infrastructure. Funds for transportation related expenses also come from fees collected by Driver and Motor Vehicle Services and by the Motor Carrier Transportation Division through weight-mile taxes.

Fuels taxes are used by states across the country and the federal government.

What body of law regulates Fuels Tax?

Fuels Tax is regulated by Oregon Revised Statute Chapter 319 – Motor Vehicle and Aircraft Fuel Taxes. ORS 319 is supported by Oregon Administrative Rules (OAR) 735-170, 735-174 and 735-176. These rules provide guidance to the public on how to comply with fuels tax laws.

What are the specifics of this law?

ORS 319 covers three main areas:

- *Motor Vehicle Fuel and Aircraft Fuel Taxes (gasoline, jet fuel, aviation fuel and gas blends)* – A **motor vehicle fuel (MVF) dealer** is defined as any person who imports, exports, produces, refines, manufactures, blends or compounds MVF or aircraft fuel. Upon the first sale of such fuel, the dealer is responsible for collecting and remitting the tax to the State of Oregon.

- *Use Fuel Taxes (diesel, propane, CNG, dyed diesel and biofuels)* – A **use fuel seller** is defined as any person who sells use fuel to a user by placing these fuels into a receptacle of a motor vehicle, from which receptacle the fuel supplied is used to propel the motor vehicle. Use fuel sellers typically manage cardlocks, retail facilities or fleet fueling operations. A **use fuel user** is defined as any person who uses fuel other than gasoline to operate any motor vehicle on the highways of the state.

- *Penalties* – ORS 319 provides specific penalties for violating part or all of the statute, including fines and/or imprisonment.

Who must be licensed?

Motor vehicle fuel dealers, use fuel sellers or use fuel users must be licensed with the State of Oregon. Each license application is reviewed for eligibility. The appropriate license is issued when all applicable requirements are met. This may include a surety bond.

How is Fuels Tax paid and reported?

Licensees are required to submit tax reports, supporting schedules and tax payments to the State of Oregon using forms provided by ODOT.

Motor vehicle fuel taxes and reports must be remitted by the 25th day of the month following the month in which the sales occurred.

Use fuel taxes and reports must be remitted by the 20th day of the month following the month in which the sales occurred.

Where did this tax originate?

The idea of a fuels tax originated in Oregon! In 1919, in an attempt to improve Oregon's roads and obtain financing for highway construction, Mr. Loyal M. Graham introduced the idea of a "gasoline tax." This tax put the financial liability of road construction and repair on those individuals and businesses that used the roads.

The gasoline tax was so successful that within ten years every state in the nation had a gasoline tax on its books, with the federal government following suit a year later. In 1943, Oregon's gasoline tax laws were expanded to include use fuel — primarily diesel fuel, but including other fuels such as propane and compressed natural gas (CNG). The gasoline tax also came to include aircraft and jet fuel. The Board of Aviation uses these revenues to maintain public airports.