



NOTICE TO CITIES

REQUIRED ANNUAL REPORT OF USE FUEL USED

April 1, 2002

ORS 319.831(1)(d) allows cities who purchase Use Fuel (generally diesel, CNG or propane, but not gasoline) and pay the state Use Fuel tax to apply for a refund.

In the past, ODOT has licensed cities as Use Fuel users and issued Use Fuel emblems to those cities so that cities could purchase Use Fuel at Oregon retail stations with the tax not included. To save administrative cost, ODOT did not require the cities to report and pay tax on this essentially 100% refundable fuel and then file a refund claim.

Recent changes to Oregon statutes along with expanded Use Fuel reporting requirements now compel ODOT to require that cities submit an annual report of their total Use Fuel usage in gallons, whether purchased in bulk or at retail establishments. Cities will only be required to report gallons used on public roads, and will not be required to remit tax and file a subsequent refund claim.

This reporting requirement is voluntary for the calendar year 2001. It is mandatory for the calendar year 2002 and thereafter.

ODOT will continue to issue Use Fuel emblems to cities who request them and who have filed the required annual reports.

Later this year, ODOT will mail an annual report form to the cities that will accommodate this annual reporting requirement. The form will simply require an annual total of Use Fuel used on the highway by cities. The first required annual report will be due January 20, 2003 for the calendar year 2002. 2003 emblems will be issued in December 2002 upon receipt of the completed emblem renewal form and will remain in force for the entire year contingent upon timely filing of the annual 2002 report.

Should you have any questions, please call the Fuels Tax Group at 503-378-8150 or via e-mail at ODOTFuelsTax@odot.state.or.us .