

Alternate Fuel Tax Information

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CAUTION

The information in this publication reflects the Wisconsin Department of Revenue's interpretation of the laws enacted by the Wisconsin Legislature as of February 1, 2014. Laws enacted after this date, administrative rules, and court decisions may change interpretations in this publication.

IMPORTANT CHANGES

- Interest on tax refunds is 3%, pursuant to 2013 Wis. Act 20
- Added information concerning invoice requirements in Appendix A
- Added reference to utility terrain vehicles (UTVs)

I. INTRODUCTION

This publication provides information concerning Wisconsin's alternate fuel tax law. It explains who needs an alternate fuel license, when reports are due, what records to keep, the interest and penalties imposed on incorrectly filed reports, and other related topics.

II. DEFINITION OF ALTERNATE FUEL

[Section 78.39\(1\)](#), Wis. Stats., defines alternate fuel as all combustible gases and liquids suitable for generating power to propel motor vehicles, except that "alternate fuel" does not include motor vehicle fuel (gasoline or diesel) or general aviation fuel. Common examples of alternate fuel are: CNG (compressed natural gas), LNG (liquefied natural gas), and LPG (liquefied propane gas).

III. IMPOSITION OF THE ALTERNATE FUEL TAX

A Wisconsin alternate fuel tax is imposed on all alternate fuels placed into the supply tanks of licensed motor vehicles, snowmobiles, recreational motorboats, all-

terrain vehicles (ATV), or utility terrain vehicles (UTV) (unless the ATV or UTV is registered for private use) in Wisconsin.

The alternate fuel tax is payable directly to the department by the following persons who must be licensed by the department:

1. Fuel "users" who make bulk purchases of alternate fuel that they will place into supply tanks of **their own** licensed motor vehicles, snowmobiles, recreational motorboats, ATV or UTV (unless the ATV or UTV is registered for private use). Fuel users who make bulk purchases and do not want to obtain an alternate fuel license from the department can authorize their supplier via [Form MF-207, Certificate of Authorization for Bulk Alternate Fuel Purchases](#) (see Part IX of this publication), to charge the user the Wisconsin alternate fuel tax, which the supplier will then remit to the department.
2. Fuel "dealers" who place alternate fuel into the supply tanks of licensed motor vehicles, snowmobiles, recreational motorboats, ATV or UTV (unless the ATV or UTV is registered for private use), owned by others, or owned by others as well as themselves.

No person may act as an alternate fuel dealer/user in Wisconsin unless that person holds a valid alternate fuel license.

Exceptions: An alternate fuel tax is not imposed upon:

1. Alternate fuel sold to the United States government or its agencies (for example, the Armed Forces or the U. S. Postal Service).
2. Alternate fuel sold to common motor carriers for the urban mass transportation of passengers.

IV. ALTERNATE FUEL TAX RATES

Fuel Type	Tax Rate	Effective Date
CNG	\$0.247	April 1, 2006
LNG	\$0.197	April 1, 2012
LPG	\$0.226	April 1, 2006

Tax rate changes are determined by legislative action.

V. OBTAINING AN ALTERNATE FUEL LICENSE

A separate license is required for each alternate fuel business location (storage, retail, etc.). In order to obtain an alternate fuel tax license, you must submit a properly completed [Form MF-100, Application for Fuel License](#), to the department.

A Business Tax Registration (BTR) Certificate is also required. If you do not already have a BTR certificate, you may complete the application online at <https://tap.revenue.wi.gov/btr>.

License Fee: There is no fee for an alternate fuel tax license, but there is a one-time \$20 fee for a newly issued BTR Certificate, with a \$10 BTR renewal fee due every two years.

Security Requirement: You may be required to submit security to guarantee your payment of the Wisconsin alternate fuel tax. The department will determine the amount of security required, but the amount required may not exceed three times a licensee's average monthly liability. Acceptable types of security include, but are not limited to, bonds, certificates of deposit, or cash. If you maintain a problem-free filing and payment record for two years, your security may be released.

Display of Fuel License: Each license must be conspicuously displayed at the place of business for which issued.

Additional Location: If you plan to add a storage facility for alternate fuel at another location or to sell alternate fuel at a location other than the location covered by your license, contact the Excise Tax Unit immediately at (608) 266-6701, to obtain a copy of your license for the additional location(s).

Reporting Name/Address/Ownership Changes or Ceasing Operations: You must notify this department when your business changes its name (legal or business), address, ownership, or when you cease operating at a location or in Wisconsin. Notification must be in writing (i.e., email, letter or by identifying changes in the designated area on your monthly or quarterly report. If the change requires a new Federal Employer Identification Number (FEIN), you must cease your previous account and file an application for a new account with the department.

VI. FILING AN ALTERNATE FUEL TAX REPORT

Who Must File: All alternate fuel dealers and users licensed by the Wisconsin Department of Revenue (and any nonlicensed person who uses untaxed alternate fuel in a taxable manner) must complete and electronically file [Form MF-007, Licensed Alternate Fuels Dealer or User Report](#), with the department summarizing their alternate fuel transactions and computing any alternate fuel tax due. **A report must be filed by those holding an Alternate Fuel license even when no tax is due.**

Due Date of Report: Alternate fuel tax reports are due the last day of the month following the month covered by the report. For example, a report for the month of September is due October 31. However, if the average tax liability is less than \$500 per calendar quarter, the department may instruct a licensee to file and pay the alternate fuel tax on a quarterly basis.

Late-Filed Reports: Reports not timely filed are subject to:

1. A mandatory \$10 late-filing fee.
2. A penalty of 5% of the tax due for each month the required report is not filed (not exceeding 25% of the tax due).

How to File: All alternate fuel tax reports must be filed electronically on *My Tax Account* (MTA). Information regarding MTA can be found at <https://tap.revenue.wi.gov>.

The Secretary of Revenue may waive the requirement to file electronically if the Secretary determines that this requirement causes an undue hardship. To request a waiver, a person must:

1. Make the request in writing. Written requests should be addressed to Mandate Waiver Request, Wisconsin Department of Revenue, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949.
2. Clearly state why the requirement causes an undue hardship. The reasons of undue hardship for the Secretary of Revenue to consider should include:
 - a. Unusual circumstances that may prevent the requester from filing electronically. **Example:**

The person does not have access to a computer with Internet connection.

- b. Any other factor(s) the requester feels pertinent.

For questions regarding waiver requests, contact us at (608) 266-6701.

VII. PAYMENTS

Taxes may be paid to the department by Electronic Funds Transfer (EFT). Information about EFT is available at revenue.wi.gov or by calling (608) 264-9918.

Payment by EFT is mandatory when the total alternate fuel tax due in the prior calendar year was \$1,000 or more.

Late Payments: Payments received after the due date are subject to interest at the rate of 1.5% per month calculated from the due date of the report through the date the taxes are paid.

Delinquent Fee: Delinquent taxes are subject to a delinquent tax collection fee. The fee is the greater of \$35 or 6.5% of the unpaid tax, interest, and penalties that become subject to the delinquent tax collection action.

Revocation of Alternate Fuel Licenses: It is very important that licensees timely file their fuel tax reports and pay all taxes due by the due date. Licensees with poor filing and/or payment history may have their alternate fuel license revoked by the department.

VIII. HOW TO CORRECT A PRIOR REPORT

Amended alternate fuel tax reports must also be filed electronically with the department. If you are filing an amended report, you must file a true, corrected and complete report, including all previously reported unchanged transactions. Do not file a report with only the changes listed.

IX. CERTIFICATE OF AUTHORIZATION

The liability for submitting tax to the department on alternate fuel delivered into a bulk storage facility can be shifted from an alternate fuel retailer/user to the supplier if both parties agree and execute [Form MF-207](#). This certificate authorizes the supplier to charge the retailer/user the Wisconsin alternate fuel tax, which the supplier must then report and remit to the department. A retailer/user does not require a Wisconsin alternate fuel license, if a certificate is executed with each supplier the retailer/user receives alternate fuel from.

Both the retailer/user and the supplier must complete the applicable portions of the certificate and keep a copy for their records. **Do not** send a copy to the department unless requested. If fuel is purchased from more than one supplier, a Certificate of Authorization must be completed with each fuel supplier to eliminate the need for the retailer/user to obtain an alternate fuel license and file alternate fuel reports with the department.

X. NONTAXABLE USES OF ALTERNATE FUEL

Taxicabs: Wisconsin law provides that persons who use alternate fuel in operating a taxicab for the transportation of passengers may receive a refund of the Wisconsin fuel tax paid. Vehicles used as taxicabs must be designated as “Vehicle has or will be used for public transportation (taxi)” on the motor vehicle registration (i.e. Form MV-1 or MV-11), filed with the Wisconsin Department of Transportation. To obtain a refund of the excise tax paid on alternate fuel used in taxicabs to transport passengers, complete [Form MF-001](#), *Fuel Tax Refund Claim*. Refund claims must be filed within one year of the date fuel was purchased. Request must be for a minimum of 100 gallons.

Off-road Usage of Alternate Fuel: Wisconsin law provides that alternate fuel is not subject to the Wisconsin alternate fuel tax when it is used for off-road purposes in mobile machinery and equipment.

Exception: The tax paid on alternate fuel placed in licensed motor vehicles, snowmobiles, motorboats (except motorboats exempt from registration as motor vehicles under [sec. 341.05\(20\)](#), Wis. Stats., and motor-

boats that are not recreational motorboats), ATV or UTV (unless the ATV or UTV is registered for private use) is not refundable.

Generally, when alternate fuel is purchased for off-road use, the alternate fuel tax is not charged. However, when the excise fuel tax is paid on alternate fuel used for off-road purposes, you may request a refund of the tax paid by completing and submitting Form MF-001 to the department. The most efficient method to request a refund is by completing Form MF-001 online at: <https://tap.revenue.wi.gov/services>. You may also submit the request by paper. A fill-in form is located at revenue.wi.gov/forms/excise/index-f.html. If filing by paper, mail completed fill-in form to:

Excise Tax Unit
Wisconsin Department of Revenue
P. O. Box 8900
Madison, WI 53708-8900

XI. RECORDKEEPING

Keep a complete copy of your report and all records pertaining to your fuel business for a minimum of four years. These records must enable the department to determine the correct amount of your alternate fuel tax liability.

- Wisconsin law requires fuel licensees to keep a record of all purchases (manifests and invoices), receipts, sales, pump meter readings, and own use for each kind or trade name of fuel. See Appendix A for invoice requirements.
- You are required to keep accurate records of all types of fuel on hand and to take and record a physical inventory of each type of fuel on hand (bulk and retail separately) at each location at the close of business on the last day of each month.
- If you make nontaxable sales of fuel, you must maintain records of such sales including the name and address of the purchaser, date of sale, what the fuel was placed into (intended use), the number of gallons sold, and the state tax deducted from the pump price.
- Copies of any executed Certificates of Authorization must also be retained.

- Your records must be stored in a place and manner easily accessible for review by department personnel.

Caution: When records are not properly maintained, Wisconsin law presumes that **all** alternate fuel received into storage (untaxed bulk purchases) is subject to the tax without benefit of any deductions. Therefore, it is very important that you maintain well organized, complete and accurate records to show how you determined your alternate fuel tax liability.

XII. FILING INCORRECT REPORTS AND CRIMINAL CHARGES

Incorrect Reports: Interest and penalties may be applied when an incorrect fuel tax report is filed:

- Interest at the rate of 12% per year on all unreported taxes (refunded taxes bear interest at the rate of 3% per year).
- Negligence penalty of 25% of the additional taxes due if the department determines there was negligence in the filing of a report.
- Fraud penalty of 50% of the additional tax due if there was intent to defeat or evade the fuel tax.

Criminal Charges: Criminal charges may be brought against a person that:

- Acts as a licensee without a license
- Fails or refuses to furnish a fuel tax report required by the department
- Files a false or fraudulent report or helps another person to do so with the intent to defeat or evade tax
- Displays or uses a fuel license known to be fictitious, canceled, revoked, or altered
- Uses a false or fictitious name when submitting a refund claim or commits any other fraud in preparing or submitting a refund claim

Reporting Fuel Tax Evasion: To report suspected cases of fuel tax evasion, contact the Wisconsin Department of Revenue at (608) 266-6701.

XIII. FORMS

Forms are available online at revenue.wi.gov or by calling (608) 266-6701.

XIV. ASSISTANCE

You can access the department's website at revenue.wi.gov 24 hours a day, 7 days a week. From this site, you can:

- Access *My Tax Account* (MTA)
- Complete electronic fill-in forms
- Download forms, schedules, instructions, and publications
- View answers to commonly asked questions
- Email us for assistance

Madison Office Location

2135 Rimrock Road
Madison, WI 53713

Mailing Address

Excise Tax Unit
Wisconsin Department of Revenue
P.O. Box 8900
Madison, WI 53708-8900

Phone (608) 266-6701

FAX (608) 261-7049

Email: excise@revenue.wi.gov

APPENDIX A: INVOICE REQUIREMENTS
(for the motor vehicle fuel tax refund law)

Invoices submitted with any of the following motor vehicle fuel tax refund claims must comply with the Wisconsin fuel tax refund law and administrative rules. (See secs. 78.20 (Retailer Refunds) and 78.75 (Taxicab & Off-Road Refunds), Wis. Stats., for additional information regarding motor fuel refunds).

Types of Refund Claims

- MF-001 Fuel Tax Refund Claim
- MF-004 Retailer Claim (gasoline only)

Under the Wisconsin fuel tax refund law, ALL invoices which accompany a refund claim must contain the following information:

1. Date of sale
2. Name and address of buyer
3. Name and address of seller
4. Number of gallons purchased
5. Type of fuel
6. Purchase price
7. Amount of Wisconsin fuel tax paid (this must be shown separately)

Amount Paid Column

Make sure that the supplier fully completes the invoice including the "amount paid" column. This column represents what was actually paid for the fuel purchased.

Submit a separate invoice for each fuel purchase. Grouping purchases on one invoice is not acceptable.

Refunds Cannot Be Assigned

The right to a refund cannot be assigned to someone else. This means that the name appearing on the invoice must agree with the name on the refund claim.

If an invoice is not properly prepared, the refund claim for that invoice will be denied.

SAMPLE INVOICE

CUSTOMER INVOICE		NO. 12345	
(to be given to customer)			
ANY OIL COMPANY			
ANY CITY, WI _____		20 _____	
(month & day)			
Sold to _____			
Address _____			
Gallons	Items (product type)	Price	Amount Paid
	Wis. Sales Tax		
	Wis. Fuel Tax		
	Federal Fuel Tax		
TOTAL			
RECEIVED PAYMENT: ANY OIL COMPANY			
Date _____		By _____	
		<i>Signature</i>	

Assistance:

Phone: (608) 266-6701
 Fax: (608) 261-7049
 Email: excise@revenue.wi.gov