

Motor Vehicle Fuel Tax Information

Including the Petroleum Inspection Fee

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IMPORTANT CHANGE

2013 WI Act 377 modified the definition of "implement of husbandry" and created a new class of agricultural vehicles called an "agricultural commercial motor vehicle" (Ag-CMV). See Appendix B for the use of dyed diesel fuel in these agricultural vehicles.

I. INTRODUCTION

This publication provides information concerning Wisconsin's motor vehicle fuel tax law and petroleum inspection fee. It explains who requires a motor vehicle fuel license or a petroleum products shipper license, when reports are due, what sales are exempt from the motor vehicle fuel tax and petroleum inspection fee, what records to keep, the interest and penalties imposed on incorrectly or late filed reports, the reporting requirements of interstate motor carriers, and other related topics.

CAUTION

The information in this publication reflects the position of the Wisconsin Department of Revenue of laws enacted by the Wisconsin Legislature as of March 1, 2015. Laws enacted after this date, administrative rules, and court decisions may change interpretations in this publication.

II. DEFINITIONS

Agricultural commercial motor vehicle (Ag-CMV): See Appendix B for definition.

"Department" means Wisconsin Department of Revenue.

Federal Preemption: means that Indian Treaties and federal statutes prohibit state taxation of Tribes and Native Americans in certain circumstances.

Implement of husbandry: See Appendix B for definition.

Metered Out: Process of measuring gallons of dispensed fuel.

Motor Vehicle Fuel Floor Tax: A tax imposed on inventory that is equal to the amount by which the motor vehicle fuel tax rate changes. For example, if the tax rate increases from 28.9¢ to 30.9¢, the floor tax is 2¢.

Motor Vehicle Fuel: [Chapter 78](#), Wis. Stats., defines motor vehicle fuel as gasoline or diesel fuel. Gasoline includes alcohol, gasohol, and transmix. Diesel fuel includes number 1 and number 2 fuel oils, whether dyed or undyed, or high or low sulfur. Diesel fuel also includes biodiesel. Kerosene is not a motor vehicle fuel unless it is blended with another product and/or used to power a motor vehicle.

MTA: *My Tax Account*.

Native American: includes Tribes, members of the Tribe who reside on their tribal reservation, and Native American corporations and partnerships.

Petroleum Inspection Fee: A fee imposed at a rate of 2¢ per gallon on all petroleum products that are received by a supplier for sale in this state or for sale for export to this state.

Petroleum Products: [Chapter 168](#), Wis. Stats., defines petroleum products as gasoline, gasoline-alcohol fuel blends, kerosene, fuel oil, burner oil, and diesel fuel oil. Compressed natural gas (CNG), liquefied natural gas (LNG) and liquefied propane (LPG) are classified as alternate fuels (see [Publication 306](#), *Alternate Fuel Tax Information*,) and not petroleum products subject to the petroleum inspection fee.

Rack: A mechanism used to dispense accountable product/motor fuel from a refinery terminal, or bulk plant into a transport truck, railroad tank car, or other means of transportation.

Recreational motorboat: means a motorboat used predominantly for entertainment, amusement or recreation of the owner of the motorboat, whether or not it is used in a trade or business.

Suppliers: include persons who:

- a. Import or acquire immediately upon import, gasoline or diesel fuel by pipeline or marine vessel from

a state, territory or possession of the United States or from a foreign country into a terminal.

- b. Produce, manufacture, or refine gasoline or diesel fuel within Wisconsin.
- c. Acquire motor vehicle fuel pursuant to an industry terminal exchange agreement or by a two-party exchange under [sec. 4105](#) of the Internal Revenue Code.
- d. Produce in Wisconsin or import into Wisconsin alcohol, alcohol derivative substances, biodiesel, or fuels derived from vegetable oils or animal fats.

Suppliers also include “restricted suppliers” who may only:

- a. Import motor vehicle fuel and/or other petroleum products into Wisconsin from an out-of-state bulk plant.
- b. Remove motor vehicle fuel from a bulk plant in Wisconsin to a destination outside Wisconsin.

Taxicab: has the meaning as defined under Wis. Admin. [Code Tax 4.05](#).

Terminal: A reportable fuel storage and distribution facility that is supplied by pipeline or vessel, and from which reportable fuel may be removed at a rack. This also includes bulk plants that store reportable fuel for others.

Terminal Operator: A terminal operator is the person who, by ownership or contractual agreement, is responsible for, or has physical control over, the operation of a terminal.

Transmix: The accountable product/motor fuel that results from the natural mixing of products at both the beginning and the end of each batch of product shipped through a pipeline.

Tribal reservation: means the reservation of the Tribe of which a Native American is an enrolled member (e.g., the tribal reservation for an enrolled member of the Oneida Tribe is the Oneida reservation). Unless noted otherwise, whenever reservation is used in this publication, it includes trust lands.

Wholesale Distributor: Wholesale distributor is a person who acquires motor vehicle fuel from a li-

censed supplier or from another wholesale distributor for subsequent sale at wholesale in Wisconsin.

III. MOTOR VEHICLE FUEL TAX AND PETROLEUM INSPECTION FEE RATES

The Wisconsin excise tax on motor vehicle fuel is 30.9¢ per gallon.

The petroleum inspection fee is 2¢ per gallon.

When the motor vehicle fuel tax changes, a floor tax is imposed on every person who is in possession of any motor vehicle fuel held for sale or resale on the date of the increase on which the motor vehicle fuel tax has already been imposed. If the tax rate should decrease, a refund is available.

IV. IMPOSITION OF THE MOTOR VEHICLE FUEL TAX AND PETROLEUM INSPECTION FEE

The Wisconsin motor vehicle fuel tax and petroleum inspection fee are imposed when petroleum products are withdrawn and metered out at the terminal or refinery rack.

Gasoline, undyed diesel fuel, and other petroleum products can be imported into Wisconsin by pipeline or marine vessel for terminal storage, or be produced, manufactured, or refined within this state and stored by the refiner, without incurring liability for paying the motor vehicle fuel tax and the petroleum inspection fee until the product is metered out. The motor vehicle fuel tax and petroleum inspection fee on gasoline, undyed diesel fuel, and other petroleum products imported into Wisconsin by any other method is payable by the licensed supplier. See Section VI of this publication for information about obtaining a supplier's license.

The motor vehicle fuel tax is also imposed upon any untaxed fuel products (for example, kerosene, biodiesel, waste oil, heavy oil, naphthas, or solvents) at the time it is sold or used to power a licensed motor vehicle. At the point when untaxed fuel products are placed directly into the supply tank of a licensed motor vehicle or are blended with taxed products (undyed diesel fuel or gasoline), the untaxed products are subject to the Wisconsin motor vehicle fuel tax.

Effective October 1, 2013, the imposition of the Wisconsin motor vehicle fuel tax and the petroleum inspection fee at General Mitchell International Airport is when the fuel is received from the main pipeline into the initial or primary storage facility.

Exceptions to the Wisconsin Motor Vehicle Fuel Tax: The following sales are exempt from the motor vehicle fuel tax:

- a. Gasoline and undyed diesel fuel sold to the United States government or its agencies.

CAUTION

Fuel sold to the State of Wisconsin, local municipalities, and school districts is taxable unless the sale qualifies as exempt under sub b. through j. below.

Dyed diesel fuel **cannot** be placed into the supply tank of a licensed diesel powered motor vehicle (for example, school bus).

- b. Gasoline sold for off-road use in mobile machinery and equipment delivered directly into a customer's bulk storage tank in an amount of 100 gallons or more.

CAUTION

Gasoline cannot be sold tax-exempt if it will be placed into the fuel supply tank of a:

- licensed motor vehicle (except an urban mass transportation vehicle),
- snowmobile,
- recreational motorboat, or
- an all-terrain vehicle (ATV) or utility terrain vehicle (UTV) (except when the ATV or UTV is registered for private use).

- c. Gasoline and undyed diesel fuel sold to a common motor carrier for urban mass transportation of passengers.
- d. Gasoline and undyed diesel fuel exported from Wisconsin. **Note:** Gasoline carried out of the state

in the ordinary fuel tank of a motor vehicle is not gasoline exported.

- e. Gasoline sold and delivered (for use in aircraft) directly into a licensed general aviation fuel dealer's or user's bulk storage tank in an amount of 100 gallons or more.
- f. Undyed diesel fuel sold as heating oil.
- g. Undyed diesel fuel sold for use in trains.
- h. Gasoline and undyed diesel fuel sold on a tribal reservation to Native Americans (see "Sales to Native Americans" below).
- i. Dyed diesel fuel.

CAUTION

- May only be sold/used for off-road purposes.
- Dyed diesel fuel cannot be used in a licensed motor vehicle.
- See Appendix B for additional information regarding use of dyed diesel fuel in vehicles used in the farm industry (Ag-CMV's and implements of husbandry).

- j. Personal Renewable Fuel Production. The first 1,000 gallons of renewable fuel (as defined in sec. 78.005(13j), Wis. Stats.) produced or converted from another purpose each year by an individual and used by that individual in his or her personal motor vehicle, provided the individual does not sell any such renewable fuel during that year.

Required Documentation for Exempt Sales: To make exempt sales of motor vehicle fuel, fuel suppliers and vendors must obtain documentation from their customer indicating the customer is eligible to purchase motor vehicle fuel exclusive of the Wisconsin motor vehicle fuel tax. When the law does not prescribe a specific type of exemption document, you may design your own based on department specifications or use the department's [Form MF-209, Certificate of Fuel Tax Exemption – Exempt Sales of Gasoline and Undyed Diesel Fuel](#). Exemption certificates are valid for three years unless canceled by the department.

Exceptions to the Petroleum Inspection Fee: The following fuel transactions are exempt from the petroleum inspection fee:

- a. Fuel sold to the United States government and its agencies.
- b. Fuel exported from Wisconsin.
- c. Fuel transferred to tax-free terminal storage.

Sales to Native Americans: Under federal preemption laws, Native Americans are not subject to the Wisconsin excise tax on fuel they purchase if the fuel is delivered to them on their tribal reservation, except where any of the fuel is purchased for resale to non-Native Americans. Fuel purchased by Native Americans for resale to both Native and non-Native Americans is subject to Wisconsin fuel taxes.

A supplier, wholesaler, or retailer who makes a nontaxable sale to a Native American must obtain a properly completed exemption certificate ([Form MF-209](#)) from the purchaser. The completed certificate should identify the purchaser as a Native American and that delivery is taking place on the purchaser's tribal reservation. The fuel can then be sold to the Native American at a sales price that excludes state fuel taxes and petroleum inspection fee.

CAUTION

Fuel purchased on a reservation by a Non-Native American and fuel delivered to Native Americans off the reservation is subject to the Wisconsin fuel tax and petroleum inspection fee.

A tribe is entitled to a refund, from the department, for fuel tax it indirectly paid to a Native or non-Native American business, when that fuel was delivered to a business on the reservation and used by the business in its operations on the Tribal reservation.

A tax refund or credit is available to persons who make exempt sales of tax-paid gasoline and diesel fuel.

V. WHO NEEDS A LICENSE OR REGISTRATION NUMBER

A Motor Vehicle Fuel Tax License: Persons who act as a supplier or "restricted" supplier of motor vehicle

fuel in Wisconsin must obtain a fuel license from the department and remit any tax owing directly to the department. These persons are also liable for remitting the petroleum inspection fee on petroleum products they handle in Wisconsin.

No person may import motor vehicle fuel into Wisconsin, or sell, use, transport, or store motor vehicle fuel in this state unless the fuel tax and petroleum inspection fee have been paid to, or liability accrued by, the holder of a valid motor vehicle fuel license issued by the department.

Suppliers must also be registered with the federal government under [sec. 4101](#) of the Internal Revenue Code for tax-free transactions in gasoline and diesel fuel.

A Petroleum Products Shipper License: You must obtain a shipper license if you sell petroleum products in Wisconsin on which the Wisconsin petroleum inspection fee has not been paid and remit the petroleum inspection fee directly to the department. The petroleum products subject to the petroleum inspection fee include, for example: gasoline, diesel fuel, kerosene, aviation fuel, jet fuel, racing fuel, and dyed fuel oil.

Persons who pay to their supplier the Wisconsin motor vehicle fuel tax and the Wisconsin petroleum inspection fee do not require this license. In addition, you do not need this license if you are registered with the department as a motor vehicle fuel supplier.

Terminal Operators: Terminal operators who own the fuel products handled by the terminal must obtain a motor vehicle fuel supplier license. These terminal operators must electronically file a combined monthly motor vehicle fuel supplier and terminal operator report with the department.

A terminal operator who does not own any of the fuel products handled by the terminal does not need a supplier license. However, these terminal operators are required to electronically file monthly informational reports with the department itemizing terminal receipts, disbursements, inventories, and meter readings. These informational reports are due the last day of the month following the month covered by the report.

A Fuel Transporter Registration Number: All persons (except private carriers that transport fuel only within Wisconsin and not across state lines) who transport motor vehicle fuel, general aviation fuel, or

alternate fuels on Wisconsin highways are required to register with the department. A carrier is termed "private" if it owns the vehicles transporting the fuel and the fuel products being transported.

Once an application is approved, the department will issue a registration number which must be displayed on all of your vehicles that transport fuel on Wisconsin highways. There is no fee for a transporter registration number. Your registration number is valid until it is canceled by you or revoked by the department. Your registration number is not transferable to another person or place.

The registration number must be painted on both sides and rear of each vehicle that transports fuel in Wisconsin. The number must be preceded by the letters WDR, and all characters cannot be less than 5" in height with a stroke not less than 3/4" in width.

Pipeline, rail, ship, and barge carriers that transport fuel in Wisconsin (not upon Wisconsin highways) are not required to obtain a fuel registration number but are required to file monthly reports with the department itemizing fuel shipments in Wisconsin.

VI. OBTAINING A FUEL LICENSE

To obtain a motor vehicle fuel tax license, petroleum products shipper license, or transporter (petroleum products carrier) registration number, you must submit a properly completed fuel application form to the department. A Business Tax Registration (BTR) Certificate will also be issued from this application if one is required. You may obtain an application online at revenue.wi.gov/forms/excise/index-f.html or by calling the department's Excise Tax Unit, Registration Specialist at (608) 266-6701.

There is no fee for a fuel license or a transporter registration number. However, persons applying for a fuel license must also hold a BTR Certificate for which there is a one-time \$20 charge with a \$10 renewal fee every two years.

Security Required: Security may be required to guarantee your payment of the Wisconsin motor vehicle fuel tax and petroleum inspection fee. The department will determine the amount of security required, but the required amount 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. Security is not required to obtain the transporter registration number.

Display of License: Your license must be conspicuously displayed at each location at which you do business.

Changes to your License/Account: Notify the department immediately, in writing, when your business undergoes any of the following changes:

- name (legal or business)
- address (location or mailing)
- ownership
- you cease operating in Wisconsin
- contact information

If you receive a new Federal Employer Identification Number (FEIN), you must complete and submit a fuel application request under the new FEIN. You must also update your security, if one is required.

VII. COLLECTING AND REMITTING MOTOR VEHICLE TAX AND THE PETROLEUM INSPECTION FEE

Motor vehicle fuel taxes and petroleum inspection fees must be collected by the licensed supplier. Subsequent purchasers of the fuel on which the motor vehicle fuel tax has been collected must include the fuel tax in the selling price so the tax is ultimately paid by the user of the fuel.

Payment Due Date: Motor vehicle fuel taxes and petroleum inspection fees are due to the department on or before the 15th day of the month following the month covered by a report. For example, fuel taxes and inspection fees for April transactions are payable on or before May 15. (In this example, the report itself is due May 31.)

Payment By EFT: The motor vehicle fuel tax and petroleum inspection fee must be paid by EFT (electronic funds transfer) to the department's depository bank, when the motor vehicle fuel tax and petroleum inspection

tion fee aggregate amount due in the prior calendar year was \$1,000 or more. Information about EFT is available online at revenue.wi.gov or by calling (608) 264-9918.

Revocation of Fuel Licenses: It is very important that licensees timely file their monthly fuel reports and pay any fuel tax and inspection fee due. Licensees with poor filing or payment records may have their licenses revoked.

Delinquent Fee: Taxes or assessments not paid by the due date are subject to a delinquent tax collection fee. The fee is the greater of \$35 or 6.5% of the unpaid tax, interest, fees, and penalties that become subject to the delinquent collection action.

Administrative Allowance: Licensed motor vehicle fuel suppliers may deduct an allowance of 1.35% when remitting the fuel tax on gasoline to the department. Of the 1.35% allowance, 1.25% must be passed on to the wholesale distributor by the supplier when the distributor pays the gasoline tax to the supplier. The allowance does not pertain to diesel fuel or the petroleum inspection fee.

Tax Payment Delay From Wholesale Distributor To Licensee: A wholesale distributor has the option to delay paying the motor vehicle fuel tax to a licensed supplier until the date the fuel tax is due to the department by the supplier (the 15th day after the close of the month in which the wholesale distributor receives the fuel).

- The delayed tax payments must be made by electronic funds transfer.
- Licensed suppliers must notify the department of wholesale distributors who elect to make delayed fuel tax payments.
- Payment delay also pertains to the petroleum inspection fee.
- Licensed suppliers can terminate the right of a wholesale distributor to make delayed payments when such payments are not timely made.

Uncollectible Motor Vehicle Fuel Taxes: Licensed motor vehicle fuel suppliers and wholesale distributors may recover the motor vehicle fuel tax from the department when a purchaser (for wholesale distributors, this purchaser must be another wholesale distributor or a retail dealer) is unable to pay the tax.

A supplier or wholesaler is relieved from the liability for motor vehicle fuel tax on accounts found worthless and charged off for income tax purposes.

Licensed suppliers may claim a deduction on their monthly supplier's report for the worthless account.

Wholesale distributors may apply to the department for a refund using [Form MF-016](#), *Distributor Claim For Tax Refund of Uncollectible Wisconsin Motor Vehicle Fuel Taxes*.

This relief does not pertain to the petroleum inspection fee.

VIII. REPORTING MOTOR VEHICLE FUEL TAX

Shipper Licensees: All motor vehicle fuel licensees registered with the Wisconsin Department of Revenue must complete and file a report with the department each month summarizing their fuel transactions and computing any motor vehicle fuel tax and petroleum inspection fee due.

All petroleum products shipper licensees registered with the department must also complete and file a monthly report with the department summarizing fuel transactions and computing the petroleum inspection fee due.

Report Due Date: Fuel reports are due on the last day of the month following the month covered by the report.

Reports must be filed by licensees even when no tax and/or fee is due.

How to File: The department requires all motor vehicle fuel reports to be filed electronically. Forms used to report fuel transactions:

- [Form MF-002](#), *Wisconsin Combined Monthly Fuel Summary Report*, can be filed by suppliers, restricted suppliers, petroleum products shippers, petroleum carrier, and terminal operators either on MTA or by an approved XML schema. Information on XML schema can be found at revenue.wi.gov/eserv/motorfuel/index.html.
- Form [MF-010M](#), *Terminal Operator's Schedule of Meter Readings* and [MF-017](#), *Wisconsin Blender's Fuel Report*, must be filed on MTA.

Information about MTA can be found at <https://tap.revenue.wi.gov>.

Blenders (Sellers/Users) of Untaxed Fuel Products To Power Licensed Motor Vehicles: [Form MF-017](#)

must be filed electronically by persons who sell or use any untaxed products (for example, kerosene, biodiesel fuel, waste oil, heavy oil, naphthas, or solvents) in power licensed motor vehicles.

- The report and tax are due on or before the 15th day of the month following the month covered by the report.

Terminal Operators: [Form MF-002](#), must be filed electronically by all terminal operators and refineries.

- These reports are due the last day of the month following the month covered by the report.

Fuel Transporters: [Form MF-002](#) and schedules, must be filed electronically by:

- all transporters registered with the department and,
- all pipeline, rail, ship, and barge carriers who transport fuel in Wisconsin but not upon Wisconsin highways.

These reports are due the last day of the month following the month covered by the report.

Fuel Diversions: All interstate fuel diversions involving Wisconsin must be reported to the department via an online system using the Fuel Trac website at trac3.net.

Late-Filed Reports: To be considered timely filed, an electronically filed report must be received by the due date.

Reports, taxes, and inspection fees that are not timely filed or paid are subject to the following statutory charges:

- A mandatory \$10 fee for a late-filed report.
- Interest on late paid taxes and petroleum inspection fees at the rate of 1.5% per month calculated from the due date of the tax/fee until date of payment.
- A late-report penalty of 5% of the fuel tax and inspection fee due for each month or partial month

the report is late (not exceeding 25% of the tax and fee due).

Amending A Report:

Amended motor vehicle fuel reports, are required to be filed electronically with the department.

For [Form MF-002](#), file an amended report to reflect the adjustments on your current report (see form instructions).

Pay any additional amount owing by EFT.

For Forms [MF-010M](#), *Terminal Operator's Schedule of Meter Readings*, and [MF-017](#), file an amended return electronically (see form instructions).

IX. CHARGES AND FEES FOR FILING INCORRECT REPORTS

Incorrect Reports: The following interest and penalties may be applied when you file incorrect fuel reports:

- Interest at the rate of 12% per year on the unpaid motor vehicle fuel taxes and petroleum inspection fee (all refunded taxes/fees bear interest at the rate of 3% per year).
- Negligence penalty of 25% of the additional fuel taxes and inspection fee due if there is negligence in filing a report.
- Fraud penalty of 50% of the fuel tax and inspection fee due if there was intent to defeat or evade the fuel tax.

See Section VIII for additional fees, interest and penalties if a report is also filed late.

Criminal Charges: The following violations can result in criminal charges being brought against a person:

- Acting as a licensee without a license.
- Failing or refusing to furnish a fuel report required by the department.
- Filing a false or fraudulent report or helping another person to do so with the intent to defeat or evade the fuel tax and/or petroleum inspection fee.

- Displaying or using a fuel license known to be fictitious, canceled, revoked or altered.
- Using a false or fictitious name when submitting a refund claim or committing any other fraud in preparing and submitting a refund claim.

X. NONTAXABLE SALES OF MOTOR VEHICLE FUEL AT RETAIL SERVICE STATIONS

Most motor vehicle fuel sold through a retail service station is dispensed into licensed motor vehicles and therefore subject to Wisconsin's motor vehicle fuel tax. However, untaxed sales of motor vehicle fuel can be made at a full-service, self-service station or truck stop (see Section IV, "Exceptions to the Wisconsin Motor Vehicle Fuel Tax").

Untaxed sales can also be made at an unattended location if the customer withdraws the motor vehicle fuel from a separate "nontaxable" pump or via a nontaxable key or card issued by the supplier.

To substantiate nontaxable sales, fuel suppliers and vendors must obtain documentation from the customer attesting to the exempt use of the fuel purchased. For each exempt fuel sale, suppliers and vendors must maintain records showing:

- the name and address of the purchaser,
- date of sale,
- what the fuel was placed into (intended use),
- the number of gallons sold, and
- that the state fuel tax was deducted from the pump price.

XI. OFF-ROAD USAGE OF MOTOR VEHICLE FUEL

Wisconsin law provides that persons who use motor vehicle fuel (gasoline and undyed diesel fuel) for off-road purposes in mobile machinery and equipment may file a claim for a refund of the Wisconsin motor vehicle fuel tax paid when purchasing the fuel. Farmers, construction companies, and logging operations are examples of business with considerable off-road use of motor vehicle fuel in nonlicensed mobile machinery and

equipment. Complete and file [Form MF-001](#) with the department to request a refund.

The petroleum inspection fee included in the cost of fuel sold or consumed for off-road purposes is not refundable.

Vehicles with power take-off (PTO) units that share the same fuel supply tank used to power the vehicle (i.e., waste management, ready-mix, bulk feed, and liquid waste companies and companies with boom trucks or derrick/digger trucks) may be eligible to receive a partial refund of the motor vehicle fuel tax paid on fuel placed into the vehicle.

CAUTION

Motor vehicle fuel tax is not refundable when the fuel is used off-road in a snowmobile, recreational motorboat, an all-terrain vehicle (ATV) or utility terrain vehicle (UTV) unless the ATV or UTV is registered for private use.

XII. CLAIMING A REFUND

Vendor Refund Claims

Wisconsin law allows a tax deduction or refund to persons who sell tax-paid gasoline and undyed diesel fuel for exempt use (see Section IV, "Exceptions from the Wisconsin Motor Vehicle Fuel Tax").

Fuel suppliers who are licensed with the department may claim a deduction for exempt sales on their monthly fuel supplier's reports.

Nonlicensed vendors must file a [Form MF-012](#), *Vendor's Claim for Motor Vehicle Fuel Tax Refund*, with the department to receive a refund of the motor vehicle fuel tax paid when the fuel was originally purchased for resale.

Fuel vendors may also claim a refund of the petroleum inspection fee for sales to the United States government and its agencies on [Form MF-012](#).

Register for Refund Claim Program: Nonlicensed fuel vendors who purchase tax-paid gasoline and/or undyed diesel fuel and who anticipate making exempt sales of the fuel should register with the department to speed the refund claim process.

Due Date of Vendor Refund Claims: Refund claims must be filed within four years from the date exempt fuel is sold. Only one refund claim may be filed per month.

Retailer Refund Claims

Wisconsin law provides that any person who operates a retail service station in Wisconsin may claim a refund of one-half of one percent of the Wisconsin motor vehicle fuel tax paid on gasoline received into that retail storage facility. The refund is designed to compensate for shrinkage and evaporation losses.

Due Date of Retailer Refund Claims: Refund claims must be filed within one year of the date fuel is purchased. The refund is not available on undyed diesel fuel that you purchase for retail sale.

User Refund Claims

Taxicab Refunds: Wisconsin law provides that persons who use motor vehicle fuel in operating a taxicab to transport 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.

Off-Road Use Refunds: Persons who use gasoline for off-road purposes can purchase gasoline tax-exempt by executing an exemption certificate ([Form MF-209](#)) with their suppliers. To be sold tax-exempt, gasoline must also be delivered by the fuel supplier or vendor directly into the customer’s bulk storage tank in an amount of 100 or more gallons.

Undyed Diesel Fuel: Undyed diesel fuel must be bought tax-included even if used for off-road purposes. You may file a claim for refund for undyed diesel fuel used off-road.

Dyed Diesel Fuel: Dyed diesel fuel may be purchased tax-exempt but it may only be used for off-road purposes. It cannot be mixed with undyed diesel fuel.

CAUTION

Use of dyed diesel fuel for taxable purposes will subject the user, and in some cases the fuel supplier, to state and federal penalties (see Section XVI).

Power Take-off (PTO) Unit Refund Claims: A person who uses motor vehicle fuel for any purpose other than operating a motor vehicle upon the public highways, upon which the excise fuel tax has been paid, may be entitled to a refund of that tax. The following table shows the amount of previously paid excise tax eligible for refund (as determined by the department) when used in the type of equipment listed, provided the PTO units shares the same fuel supply tank used to power the vehicle.

	Vehicle Type and Usage	Amount Exempt
1	Ready mix	35%
2	Waste management	30%
3	Liquid waste	15%
4	Urban Mass Transit (sec. 71.38, Wis. Stats.)	100%
5	Boom and derrick/digger trucks 20,000 or less GVW	15%
6	Boom and derrick/digger trucks more than 20,000 GVW	30%
7	Other equipment used 100% off-road	100%
8	Off-Road Agricultural Equipment	100%
9	Bulk Feed (PTO) Delivery Trucks	0.08 gal. per Ton

Persons that own vehicles with a PTO unit that share the same fuel supply tank used to power the vehicle, and where that vehicle is not described above or for which the department has not already conducted a study to determine an exempt amount, should contact the department at DORExciseTaxpayerAssistance@revenue.wi.gov for a study/determination.

Due Date of User Refund Claims: Refund claims must be filed within one year of the date fuel was purchased (not paid), and must cover at least 100 gallons. A maximum of two claims may be filed per month.

Refund Claim Form: Persons with off-road use of motor vehicle fuel who purchase fuel tax-included must file a refund claim with the department to receive a refund of the fuel tax paid relating to their off-road usage.

XIII. MOTOR VEHICLE FUEL USED IN MOTORBOATS

The State of Wisconsin and the U.S. Government do not have the same tax treatment of gasoline and diesel fuel used by recreational and commercial motorboats. Following are brief explanations of the various tax treatments:

Recreational Motorboats

Gasoline – Taxable by both. (Tax is paid when fuel is purchased.)

Undyed Diesel Fuel – Taxable by Wisconsin but refundable by the U.S. Government. (Tax is paid when fuel is purchased.)

Dyed Diesel Fuel – Cannot be used in motorboats under Wisconsin law although federal law does allow such use. Because of the difference between Wisconsin and federal laws, you should purchase undyed diesel fuel with the Wisconsin and federal taxes paid and apply for a refund from the U.S. Government.

Commercial Motorboats

Gasoline – Refundable by Wisconsin or may be purchased tax-exempt. Also refundable by the U.S. Government. (Tax is paid when fuel is purchased.)

Undyed Diesel Fuel – Refundable by both. (Tax is paid when fuel is purchased.)

Dyed Diesel Fuel – Can be used in any commercial motorboat under Wisconsin or federal law.

XIV. SALES/USE TAX LIABILITY

As a result of purchasing fuel tax-exempt or filing a refund claim and receiving a fuel tax refund, the related fuel may be subject to the Wisconsin use tax. Use tax does not apply to fuel used:

- in farming,
- for residential heating purposes,

- placed in auxiliary heating or cooling units of common or contract carriers, or
- in vehicles used for the urban mass transportation of passengers.

However, use tax does apply to fuel used by construction companies in off-road machinery and equipment and fuel used to heat business premises.

For more information about a potential use tax liability and exemptions see [Publication 222](#), *Motor Vehicle Fuel Users: Do You Owe Use Tax*.

XV. RECORDKEEPING

You must keep a complete copy of your report and all records pertaining to your fuel business for a minimum of four years. The records must enable you and the department to determine the correct amount of your motor vehicle fuel tax and petroleum inspection fee.

Wisconsin law requires fuel licensees and all others who are required to file reports with the department 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 petroleum product. 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 every month.

If you make nontaxable fuel sales, you must maintain records of the 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 motor vehicle fuel tax deducted from the pump price. Copies of any executed fuel tax exemption certificates ([Form MF-209](#)) or its equivalent 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 maintained, all fuel withdrawn from a terminal or refinery rack or imported into Wisconsin by a licensed supplier will be presumed taxable without benefit of any deductions. Therefore, it is very important that you maintain sufficient records to show how you determined your motor vehicle fuel tax and petroleum inspection fee.

XVI. MISUSE OF DYED DIESEL FUEL

Wisconsin may impose a penalty on any person who sells dyed diesel fuel to a person whom it knows (or has reason to know) will use the dyed fuel in a taxable manner, or on the person who uses the dyed fuel in a taxable manner. The penalty is the greater of \$1,000 or twice the applicable tax on the diesel fuel. A \$1,000 penalty is also imposed on retailers who do not conspicuously label fuel pumps or other delivery facilities that dispense dyed diesel fuel.

The U.S. Government may also impose a penalty in addition to the Wisconsin penalty.

XVII. FUEL TAX EVASION

Persons who wish to report suspected fuel tax evasion should contact the Wisconsin Department of Revenue at (608) 266-6701 or email DORExciseTaxpayerAssistance@revenue.wi.gov.

XVIII. INTERSTATE MOTOR CARRIERS

Motor carriers that cross state lines are required to pay the motor vehicle fuel tax when the fuel is placed into the fuel supply tanks of motor vehicles in each state. The applicable state motor vehicle fuel tax is charged or liability incurred when the fuel is placed into a vehicle's fuel supply tank. The registration and tax reporting requirements interstate carriers may have with both the Wisconsin Department of Revenue and the Wisconsin Department of Transportation are explained below. The requirements of these departments are mutually exclusive of each other.

Wisconsin Department of Revenue: Interstate motor carriers do not have any registration or reporting requirements with the Department of Revenue. They pay the Wisconsin motor vehicle fuel tax when they refuel vehicles at Wisconsin truck stops or service stations. If they have bulk storage in Wisconsin, the supplier charges the motor vehicle fuel tax to the interstate motor carrier. Motor carriers are eligible for a refund of the Wisconsin motor vehicle fuel tax paid on undyed diesel fuel used by refrigeration units with a separate fuel supply tank (see Sections IX and XII). Motor carriers can also purchase dyed (untaxed) diesel fuel for use in refrigeration units with separate supply tanks. The cost of the fuel purchased also includes the

Wisconsin petroleum inspection fee. The inspection fee relating to fuel used by refrigeration units is not refundable.

Wisconsin Department of Transportation: Interstate motor carriers must file quarterly interstate fuel tax reports with the Department of Transportation, reporting miles driven in Wisconsin and fuel purchased in Wisconsin. Wisconsin is a member of the International Fuel Tax Agreement (IFTA). Mileage, fuel use, and fuel purchase information for other IFTA jurisdictions is also reported through the Department of Transportation. Information and application forms can be obtained by calling the department's Motor Carrier Services Section, Fuel Tax Unit at (608) 266-9900 or writing to P.O. Box 7979, 4802 Sheboygan Avenue, Madison, WI 53707-7979.

XIX. ASSISTANCE

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

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

Madison Office Location
2135 Rimrock Road
Madison, WI 53713

or write to:

Excise Tax Unit
Wisconsin Department of Revenue
PO Box 8900
Madison, WI 53708-8900

Telephone (608) 266-6701

FAX (608) 261-7049

Email: DORExciseTaxpayerAssistance@revenue.wi.gov

APPENDIX B:**DYED DIESEL FUEL USED IN MOTOR VEHICLES IN THE FARM INDUSTRY**

- Dyed diesel fuel has red dye added to indicate that motor fuel excise tax has not been paid on the fuel.
- Dyed diesel fuel must be used for tax exempt purposes.
- Vehicles that are not licensed or required to be licensed for highway use with the Wisconsin Department of Transportation, Division of Motor Vehicles (DMV) can have dyed diesel fuel put into the fuel tanks as the primary use of these vehicles is off-road.
- Vehicles that are licensed for highway use (i.e., have a license plate) **cannot** have dyed diesel fuel put into the fuel tanks. See *Off-Road Usage of Motor Vehicle Fuel* below about how to obtain a claim for refund on undyed diesel fuel used for off-road purposes.

Note: Untaxed gasoline and untaxed alternate fuels must be used in the same manner as dyed diesel fuel. The only difference is untaxed gasoline and untaxed alternate fuels do not have a red dye to indicate that no motor fuel excise tax has been paid.

Diesel Fuel Used in Ag-CMV's

A vehicle that is classified as an agricultural commercial motor vehicle (**Ag-CMV**) and is not licensed or required to be licensed with DMV, may use dyed diesel fuel. If the vehicle is licensed or required to be licensed with DMV, dyed diesel fuel may not be used.

An agricultural commercial motor vehicle (**Ag-CMV**) is a commercial motor vehicle to which all of the following apply:

- The vehicle is substantially designed or equipped, or materially altered from its original construction, for the purpose of agricultural use
- The vehicle was designed and manufactured primarily for highway use
- Unless the vehicle was manufactured prior to 1970, the vehicle was manufactured to meet federal motor vehicle safety standard certification label requirements as specified in [49 CFR 567](#)
- The vehicle is used exclusively in the conduct of agricultural operations
- The vehicle is directly engaged in harvesting farm products, directly applies fertilizer, spray, or seeds to a farm field, or distributes feed to livestock

Diesel Fuel Used in Implements of Husbandry

A vehicle that is classified as an implement of husbandry and is not licensed or required to be licensed with DMV can use dyed diesel fuel. If the vehicle is licensed or required to be licensed with DMV, dyed diesel fuel may not be used.

An **implement of husbandry** is a self-propelled or towed vehicle that is manufactured, designed, or reconstructed to be used and that is exclusively used in the conduct of agricultural operations. An “implement of husbandry” may include any of the following:

- A farm tractor
- A self-propelled combine; a self-propelled forage harvester; self-propelled fertilizer or pesticide application equipment but not including manure application equipment; towed tillage, planting, and cultivation equipment and its towing power unit; or another self-propelled vehicle that directly engages in harvesting farm products, directly applies fertilizer, spray, or seeds but not manure, or distributes feed to livestock
- A farm wagon, farm trailer, manure trailer, or trailer adapted to be towed by, or to tow or pull, another implement of husbandry
- A combination of vehicles in which each vehicle in the vehicle combination is an implement of husbandry

Off-Road Usage of Motor Vehicle Fuel

Wisconsin law provides that persons who use motor vehicle fuel (undyed diesel fuel, gasoline, or alternate fuels) for off-road purposes in mobile machinery and equipment may file a claim for refund of the Wisconsin motor vehicle fuel tax paid when purchasing the fuel. Farmers, construction companies, and logging operations are examples of business with considerable off-road use of motor vehicle fuel in unlicensed mobile machinery and equipment. Persons must file [Form MF-001, Fuel Tax Refund Claim](#) to request a refund.

Licensed motor vehicles with power take-off (PTO) units that share the same fuel supply tank used to power the vehicle (i.e., waste management, ready-mix, bulk feed, and liquid waste companies and companies with boom trucks or derrick/digger trucks) may be eligible to receive a partial refund of the motor vehicle fuel tax paid on fuel placed into the vehicle.

Penalties for Misuse of Dyed Diesel Fuel

The following penalties apply to the misuse of dyed diesel fuel:

- A minimum \$1,000 penalty is imposed on any person who sells dyed diesel fuel to a buyer that the person knows (or has reason to know) will use the dyed fuel in a taxable manner
- A minimum \$1,000 penalty is imposed on any person who uses dyed diesel fuel in a taxable manner. For example, a person found using dyed diesel fuel in a licensed motor vehicle.
- A \$1,000 penalty is imposed on any retailer who does not conspicuously label fuel pumps, or other delivery facilities, that dispense dyed diesel fuel.

The U.S. Government may also impose a penalty in addition to the Wisconsin penalty.

Additional Information

Please read the remainder of this publication for additional information: Publication 307, *Motor Vehicle Fuel Tax Information*. If you have any questions, you may contact the department at (608) 266-6701 or DORExerciseTaxpayerAssistance@revenue.wi.gov.