



Department of Motor Vehicles  
Agency of Transportation

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[www.dmv.state.vt.us](http://www.dmv.state.vt.us)

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#10-02

# INFORMATIONAL BULLETIN

## DIESEL TAX ON MOTOR BUSES

Effective July 1, 2010, motor buses will no longer be exempt from paying Vermont diesel tax. There will be no tax refunds allowed after this date for diesel fuel used by motor buses registered in this state to include motor buses being operated under the International Fuel Tax Agreement (IFTA).

In accordance with 23 VSA §3002(6), a “motor bus” means any motor vehicle with a seating capacity of more than 20 people. No tax will be due with respect to fuel for use in any state, municipal, school district, fire district, nonprofit public transit system as defined in 23 VSA §5088(3), or other vehicle owned, leased, or contracted for other than single trip use by a government entity, as long as the distributor takes from the purchaser at the time of bulk sales an exemption certificate issued by the Commissioner of Motor Vehicles. A refund can be requested for fuel purchased for these purposes that include the tax by completing the Diesel Refund Application and remitting copies of your fuel invoices. The application can be obtained at: [http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-VP035-Diesel\\_Tax\\_Refund\\_App.pdf](http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-VP035-Diesel_Tax_Refund_App.pdf)

A tax of \$0.25, a fee of \$0.01 established pursuant to the provisions of 10 VSA §1942, and a \$0.03 motor fuel transportation infrastructure assessment fee totaling \$0.29 will be required on each gallon of fuel. The tax shall be imposed on each gallon of fuel sold or delivered by a distributor or used by a user.

Qualified motor vehicles that leave the state should have already obtained the IFTA (International Fuel Tax Agreement) credentials and be filing a quarterly IFTA Diesel Tax Report. Currently, your miles are not taxable in Vermont when filing the tax report. Starting July 1, 2010, you must maintain complete records, supported by fuel receipts, of all diesel fuel purchased. Storage fuel is normally delivered into fuel storage facilities maintained by the licensee; fuel tax is due at the time of delivery. The licensee must retain copies of all delivery tickets and/or receipts. Inventory reconciliation's must also be maintained. In the case of withdrawals from bulk storage, records must be maintained to distinguish fuel placed in qualified vehicles from other uses. A copy of the IFTA (International Fuel Tax Agreement) requirements can be obtained at the following web address: [http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-VP181-IRP\\_IFTA\\_Manual.pdf](http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-VP181-IRP_IFTA_Manual.pdf) or by contacting Commercial Vehicles at 802-828-2070.

A handwritten signature in black ink, appearing to read "Robert D. Ide".

Robert D. Ide, Commissioner