

ADMINISTRATIVE NOTICE 97-23

SUBJECT: AVERAGE WHOLESale PRICE OF FUEL--USED IN DETERMINATION OF CONSUMERS SALES TAX ON FUEL FOR UPCOMING CALENDAR YEAR

NOTICE OF AVERAGE WHOLESale PRICE
OF
GASOLINE AND SPECIAL FUEL
COMPUTATION OF CONSUMERS SALES AND USE TAXES
During the period
January 1, 1998 to December 31, 1998

Enrolled Committee Substitute for House Bill 1657 was passed by the Legislature on February 18, 1983, signed by Governor John D. Rockefeller IV on March 3, 1983 and was effective on April 1, 1983. This bill imposes the West Virginia five percent (5%) Consumers Sales and Use Tax on the average wholesale price of gasoline and special fuels, which average wholesale price is to be determined annually by the Tax Commissioner.

Pursuant to Section ' 11-15A-13(c) (1) of said Bill, notice is hereby given that the single average wholesale price of gasoline and special fuel for the period beginning January 1, 1998 and ending December 31, 1998, inclusive, shall be \$.97 per gallon.

During the period beginning January 1, 1998 and ending December 31, 1998, inclusive, the West Virginia Consumers Sales and Use Tax applicable to the average wholesale price of all gasoline and special fuel converted and computed on a gallon basis, shall be \$.0485 or (4.85 cents).

$$\$0.97 \times 5 \% = \$0.0485$$

This average wholesale price per gallon (\$0.97) and the tax computed thereon (\$0.0485) shall apply to all gallons of gasoline or special fuel sold, purchased or used in this State during the period beginning January 1, 1998 and ending December 31, 1998, inclusive, regardless of whether the actual purchase price of such gasoline or special fuel is more or less than \$0.97 per gallon.

The term Agasoline@ is defined in Section ' 11-15-18(c) (4) as follows:

AGasoline shall mean and include any product commonly or commercially known as gasoline, regardless of classification, suitable for use in an internal combustion engine, except special fuel as hereinafter defined, including any product obtained by blending together any one or more products, with or without other products, if the resultant product is capable of the same use.@

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The term **Aspecial fuel** is defined in Section ' 11-15-18(c) (9) as follows:

ASpecial fuel shall mean and include any gas or liquid, other than gasoline, used or suitable for use as fuel in an internal combustion engine. The term **Aspecial fuel** shall include products commonly known as natural or casinghead gasoline and shall include gasoline and special fuel for heating any private residential dwelling, building or other premises; but shall not include any petroleum product or chemical compound such as alcohol, industrial solvent, heavy furnace oil, lubricant, etc., not commonly used nor practicably suited for use as fuel in an internal combustion engine.

The term **Aaircraft fuel** is defined in Section ' 11-15-18(c) (2) as follows:

AAircraft fuel shall mean gasoline and special fuel suitable for use in any aircraft engine.

Home heating oil is included within the definition of special fuel. Beginning April 1, 1983, the Consumers Sales Tax on home heating oil will be calculated on the average wholesale price determined by the Tax Commissioner (\$0.97 per gallon) rather than on actual gross proceeds of sales, which heretofore had been the measure of Consumer Sales Tax on sales of home heating oil to residential customers.

Notice will be filed in the State Register, on or before December 1, 1997, of the determination by the Tax Commissioner, of the average wholesale price of gasoline and special fuel for purposes of Consumers Sales and Use Tax computations during the period January 1, 1998 through December 31, 1998. See, WV Code ' 11-15A-13(c) (1).

Issued: November 26, 1997

Richard E. Boyle, Jr.
State Tax Commissioner

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