



WEST VIRGINIA MOTOR FUEL EXCISE TAX

The purpose of this publication is to provide general information regarding West Virginia Motor Fuel Excise Tax. It is not a substitute for tax laws or regulations.

GENERAL INFORMATION

- Motor Fuel Excise Tax will be collected at the terminal rack or upon import of motor fuel into West Virginia (also referred to as “Rack Tax” or “Tax at the Rack”).
- The Motor Fuel Excise Tax consists of a flat rate component and a variable rate component. The flat rate component is 20.5 cents per gallon. The variable rate is subject to change annually. The variable component is restricted to no more than 5% of the average wholesale price. The variable rate may not be less than 15.2 cents per gallon.

LICENSING/ BONDING PROCEDURES

- Before conducting ANY motor fuel business in West Virginia, you must apply for and receive a West Virginia Business Registration Certificate and a West Virginia Motor Fuel Excise Tax License. Per W. Va. Code §11-14C-38, the civil penalty for operating without a license is \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation. As part of the application process, a bond may be required as follows:

TYPE	BOND REQUIREMENT	BOND MINIMUM	BOND MAXIMUM
Supplier/Refiner		\$100,000	\$2 million
Permissive Supplier		\$100,000	\$2 million
Importer ¹		\$100,000	\$2 million
Importer ²	3 months' tax liability	\$2,000	\$300,000
Exporter	3 months' tax liability	\$2,000	\$300,000
Terminal Operator		\$100,000	\$2 million
Blender	3 months' tax liability	\$2,000	\$300,000
Motor Fuel Transporter	No Bond Required ³		
Distributor	3 months' tax liability	\$2,000	\$300,000
Alternative Fuel Bulk End User	No Bond Required ³		
Producer/Manufacturer	No Bond Required ³		
Provider of Alternative Fuel	No Bond Required ³		
Retailer of Alternative Fuel	No Bond Required ³		

- Organizations with a good filing record for at least 18 months may not be required to post a bond. In addition, bond requirements may be adjusted based on an organization’s net worth as follows:
 - \$5 million net worth – no bond requirement
 - \$2.5 million net worth – waive ½ the bond requirement
 - \$1.25 million net worth – waive ¼ the bond requirement
- When allowed by Code, bonds will be combined.

REPORTING REQUIREMENTS

- Licensees are required to remit monthly reports with payment on or before the last day of the calendar month for any preceding month. An exception applies to Alternative Fuel Bulk End Users, Providers of Alternative Fuel and Retailers of Alternative Fuel which must file annually.

¹ Importers who do not purchase from a supplier/permissive supplier

² Importers who purchase from a supplier/permissive supplier

³ Bond may be required in case of failure to comply

EXAMPLE:

A distributor who purchases and delivers fuel within the State ONLY is not required to file a monthly report. This means no imports and no exports. However, special circumstances, such as using propane in a taxable manner, may require a distributor to file a monthly report.

SPECIAL CIRCUMSTANCES EXAMPLE:

Propane is exempt from the flat rate of tax. If propane is used in a highway vehicle, the gallons used would become taxable at the combined rate of tax. These gallons should be reported on the distributor report and the flat rate remitted on those gallons used.

DISCOUNT FOR THE DISTRIBUTOR (WHOLESALE/ JOBBER)

- A supplier or permissive supplier who timely files and remits the amount of tax due may subtract an administrative discount not to exceed one tenth of one percent of the tax due. The discount may not exceed \$5,000 per month. W. Va. Code §11-14C-23(b).
 - Supplier is defined in W. Va. Code §11-14C-2(81) and means a person that is:
 - (A) Subject to the general taxing jurisdiction of the state;
 - (B) Registered under Section 4101 of the Internal Revenue Code for transactions in motor fuel in the bulk transfer/terminal distribution system; and
 - (C) One of the following:
 - (i) A position holder in motor fuel in a terminal or refinery in this state and may concurrently be a position holder in motor fuel in another state; or
 - (ii) A person who receives motor fuel in this state pursuant to a two-party exchange.

A terminal operator is not a supplier based solely on the fact that the terminal operator handles motor fuel consigned to it within a terminal.
 - Permissive supplier is defined in W. Va. Code §11-14C-2(65) and means a person who may not be subject to the taxing jurisdiction of this state but who meets both of the following requirements:
 - (A) Is registered under Section 4101 of the Internal Revenue Code for transactions in motor fuel in the bulk transfer/terminal system; and
 - (B) Is a position holder located only in another state or is a person who receives motor fuel only in another state pursuant to a two-party exchange.
 - Distributor is defined in W. Va. Code §11-14C-2(32) and means a person who acquires motor fuel from a licensed supplier, permissive supplier or from another licensed distributor for subsequent sale or use.
- When a permissive supplier or supplier sells fuel to a licensed distributor, the permissive supplier or supplier may deduct from the tax due a discount equal to three fourths of one percent of the tax due. W. Va. Code §11-14C-23(c).

EXAMPLE:

Tax Due	@	.20500			\$100,000.00
Tax Due	@	.01452	+		\$74,146.36
Total Tax Due			=		\$174,146.36
Less ¾ of 1% (.0075)			-		\$1,306.10
Total Amount Due			=		\$172,840.26

EXEMPTIONS

- See W. Va. Code §11-14C-9

REFUNDS

- Governmental agencies must first pay the motor fuel tax and then apply for a refund of the tax paid on motor fuel used by the governmental agency.
- For off-highway refunds, refer to the Motor Fuel Refund Instructions at www.tax.wv.gov.
- Beginning on January 1, 2018, a refundable exemption exists for all gallons of motor fuel sold for use or consumed in railroad diesel locomotives not to exceed an aggregate amount of \$4,300,000 in any year for all taxpayers claiming the exemption. If the claims exceed \$4,300,000 in any year, the refundable exemption shall be distributed proportionately to the taxpayers submitting claims.

**ASSISTANCE AND
ADDITIONAL
INFORMATION**

- The current year rates, forms, and filing requirements can be found at: www.tax.wv.gov.

For assistance or additional information, you may call a Taxpayer Service Representative at:

1-800-WVA-TAXS
(1-800-982-8297)

Or visit our website at:

www.tax.wv.gov

File and pay taxes online at:

<https://mytaxes.wvtax.gov>

Email questions to:

taxhelp@wv.gov
