

WEST VIRGINIA STATE TAX DEPARTMENT
Administrative Notice 2004-24

SUBJECT: CONSUMERS SALES AND USE TAXES ON MOTOR FUEL AND THE VARIABLE RATE COMPONENT OF THE MOTOR FUEL EXCISE TAX: Notice of Increase in Consumers Sales and Use Taxes on Motor Fuel and the Variable Rate Component of the Motor Fuel Excise Tax for the Period of January 1, 2005 through December 31, 2005.

The Tax Commissioner has determined that the single, statewide average wholesale price of motor fuel for purposes of imposing and collecting the consumers sales and use taxes on motor fuel during the period January 1, 2005 through December 31, 2005, is \$1.30 and that the tax, when converted to a cents per gallon tax, shall be 6.50 cents per gallon. See Administrative Notice 04-23. This constitutes a 1.65 cents per gallon increase over the tax in effect for calendar year 2004, which was 4.85 cents per gallon.

For ease of administration and collection, the consumers sales and use taxes on motor fuel is added to and collected with the 20.50 cents per gallon excise taxes imposed on motor fuel by W. Va. Code § 11-14C-5(a) and on the use of motor fuel by certain carriers by W. Va. Code § 11-14A-3.

Notice is hereby given that during the period January 1, 2005, through December 31, 2005, the motor fuel excise tax per gallon shall be 27 cents per gallon.

20.50 cents per gallon excise
tax (flat rate component)
+6.50 cents per gallon sales
and use taxes (variable rate
component)
27.00 cents per gallon motor
fuel excise tax

Tax on Inventory

Every licensee who, on January 1, 2005, has in inventory any motor fuel upon which the tax or any portion thereof has been previously paid must take a physical inventory and file a report thereof with the Tax Commissioner, in the format required by the Commissioner, within thirty days after the effective date of the rate change, and shall pay to the Commissioner, at the time of filing the report, any additional tax due to the 1.65 cents per gallon increase in the tax. See W. Va. Code 11-14C-5(d). The report must be filed, and the additional taxes paid, on or before January 31, 2005.

"Licensee" means any person licensed by the Commissioner pursuant to W. Va. Code § 11-14C-10 as:

- | | |
|--|--------------------------|
| (1) A supplier which includes a refiner, | (5) A terminal operator, |
| (2) A permissive supplier, | (6) A blender, |
| | (7) A motor fuel |

- (3) An importer, transporter, or
(4) An exporter, (8) A distributor.

Tax on Motor Carriers

Every motor carrier subject to the motor carrier road tax imposed by W. Va. Code § 11-14A-3 shall calculate the amount of motor carrier road tax due under that section by multiplying the number of gallons of gasoline or special fuel used in the operation of any motor carrier in this State after December 31, 2004, by the combined rate of tax of 27 cents per gallon.

Every motor carrier **not** subject to the motor carrier road tax imposed by W. Va. Code § 11-14A-3 that is subject to the use tax imposed by W. Va. Code § 11-15A-13a shall calculate the amount of use tax due under that section by multiplying the number of gallons of gasoline or special fuel used in the operation of the motor carrier in this State after December 31, 2004, by the rate of tax of 6.5 cents per gallon.

Dale W. Steager
Acting Tax Commissioner
Issued: November 30, 2004