



Florida Department of Revenue Tax Information Publication

TIP

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Law Changes Affecting Natural Gas Fuel Retailers

Effective January 1, 2014, Chapter 2013-198, Laws of Florida (L.O.F.), repeals the annual decal fee imposed on alternative fuel, provides new definitions for the administration of tax on natural gas, and imposes registration and filing requirements for retailers of natural gas. This Tax Information Publication (TIP) provides an overview of the new law.

Alternative Fuel Decals

Florida Registered Vehicles - Currently, you must pay a fee and receive a decal from the Department if you own an alternative fuel vehicle that is registered in Florida and the vehicle is used on-road. Effective January 1, 2014, a decal fee is no longer required for alternative fuel vehicles. Current owners of alternative fuel vehicles will keep existing decals and new owners will pay a pro-rated fee on new vehicles through December 31, 2013.

Retailers of Alternative Fuel - Currently, retailers of alternative fuel are required to be licensed and collect tax on alternative fuel placed into on-road vehicles if the vehicle is not registered in Florida. Effective January 1, 2014, a retailer of alternative fuel is no longer required to be licensed. In addition, retailers will no longer be required to file a *Retailer of Alternative Fuel Tax Return* (Form DR-309635).

Retailers of Natural Gas

Effective January 1, 2014, Chapter 2013-198, L.O.F., created Part V of Chapter 206, Florida Statutes (F.S.), to provide definitions for the following terms:

- “Natural gas fuel” means any liquefied petroleum gas product, compressed natural gas product, or combination thereof used in a motor vehicle as defined in section (s.) 206.01(23), F.S.
- “Natural gas fuel retailer” means any person who sells, produces, or refines natural gas fuel for use in a motor vehicle as defined in s. 206.01(23), F.S. A natural gas fuel retailer includes any person who purchases natural gas without tax and uses the fuel for a taxable purpose in a motor vehicle defined in s. 206.01(23), F.S.
- “Motor fuel equivalent gallon” means the volume of natural gas fuel it takes to equal the energy content of 1 gallon of motor fuel.

Effective January 1, 2014, a natural gas fuel retailer must have a license issued by the Department to engage in the business of selling, producing, or refining natural gas fuel for use in a motor vehicle as defined in s. 206.01(23), F.S.

To get a natural gas fuel retailer license, a person must file a *Florida Fuel or Pollutants Tax Application* (Form DR-156) with the Department and pay a \$5 licensing fee. Form DR-156 is located on our web site at www.myflorida.com/dor/ under “Forms and Publications”. The license shall be renewed annually by submitting a *Renewal Application for Florida Fuel/Pollutant License* (Form DR-156R) and a \$5 licensing renewal fee to the Department.

Any person who acts as a natural gas fuel retailer and does not hold a valid natural gas fuel retailer license is liable for a penalty of \$200 for each month of operation without a license. Persons exempt from the licensing requirements of a natural gas fuel retailer include:

- State agencies, political subdivisions, or federal agencies that operate as a natural gas fuel retailer.
- Any person who uses natural gas from a residential refueling device that is located at the person’s primary residence.
- Any person who has a facility for placing natural gas fuel into the supply system of an internal combustion engine fueled by individual portable containers of 10 gallons or less, provided the fuel is used for exempt purposes.

Effective January 1, 2019, natural gas fuel retailers must obtain a bond and file monthly reports electronically with the Department showing inventory, purchases, nontaxable disposals, taxable uses, and taxable sales in gallons of natural gas fuel for the preceding month. Natural gas fuel retailers will remit to the Department the natural gas fuel taxes based on a motor fuel equivalent gallon ratio. For the period of January 1, 2014 through December 31, 2018, natural gas fuel is exempt from the taxes imposed by Chapters 206 and 212, F.S.

References: Chapter 206, Florida Statutes; Rule Chapter 12B-5, Florida Administrative Code

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit our Internet site at www.myflorida.com/dor/ or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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