



STATE OF WEST VIRGINIA
 State Tax Department, Tax Account Administration Div
 P. O. Box 1682
 Charleston, WV 25326-1682



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Earl Ray Tomblin, Governor

Mark W. Matkovich, Acting Tax Commissioner

Letter Id: L0549782592
 Issued: 12/20/2013

Notice of Determination of Average Wholesale Price of Motor Fuel and of Determination of the Gasoline Gallon Equivalent for Alternative Fuel

Section 11-14C-5 of the West Virginia Motor Fuel Excise Tax imposes motor fuel tax that consists of both a flat rate component and a variable rate component. Beginning January 1, 2014, the definition of motor fuel includes alternative fuel. Alternative fuel means a combustible gas or liquid that is used or is suitable for use in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance and includes but is not limited to butane, liquefied propane gas (LPG/propane), compressed natural gas (CNG) liquefied natural gas (LNG) and natural gas.

The flat rate is equal to \$0.205 per invoiced gallon or on each gallon equivalent of alternative fuel. The variable rate component is equal to 5 percent of the average wholesale price of motor fuel. The average wholesale price of motor fuel is calculated each year during the period July 1 through October 31. Public notice of the average wholesale price and the variable tax rate are published by December 1.

For the calendar year 2014, motor fuel tax rates and gasoline gallon equivalents are shown below:

Motor Fuel Tax Rates - January 1, 2014 to December 31, 2014

Motor Fuel	Variable Rate	Variable Rate Calculation by GGE	Tax Rate (Combined Variable and Flat Rate of .2050)
Compressed Natural Gas (CNG)	30.4 cents per 1000 CF natural gas	$\$0.304 / 1000 \text{ CF} \times 126.67 \text{ (GGE)} = \0.039	\$0.244 per 126.67 cu ft. of CNG or \$0.244 per 5.66 pounds of CNG
Liquefied Natural Gas (LNG)	2.5 cents per gallon	$\$0.025 \times 1.554 \text{ GGE} = \0.039	\$0.244 per gallon of LNG
Liquefied Petroleum Gas (LPG - Propane)	6.2 cents per gallon	$\$0.062 \times 1.367 \text{ GGE} = \0.085	\$0.290 per gallon of LPG
Gasoline, Diesel, Kerosene, etc.	15.2 cents per gallon	\$0.152 per gallon	\$0.357 per gallon

Gasoline Gallon Equivalents of Alternative Fuels

Alternative Fuel	Measure of Fuel with Energy Equal to One Gallon of Gasoline
Compressed Natural Gas (CNG)	126.67 cubic feet
Compressed Natural Gas (CNG)	5.66 pounds
Liquefied Natural Gas (LNG)	1.554 gallons
Liquefied Petroleum Gas (LPG - Propane)	1.367 gallons



STATE OF WEST VIRGINIA

Department of Revenue
State Tax Department

Earl Ray Tomblin
Governor

Mark W. Matkovich
Acting State Tax Commissioner

ADMINISTRATIVE NOTICE 2013-27

Notice of Determination of the Gasoline Gallon Equivalent
for Alternative Fuels for the Period of January 1, 2014 to
December 31, 2014 for the Purposes of the West Virginia
Motor Fuel Excise Tax.

As of January 1, 2014, motor fuel includes alternative fuel which is defined to include butane,
compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG or
propane), and other specified fuels. The motor fuel tax is composed of a flat rate equal to \$.205 per
invoiced gallon or, for alternative fuel, per each gasoline gallon equivalent, plus a variable
component of 5% of the average wholesale price of each fuel. This Administrative Notice sets forth
the determination of gasoline gallon equivalents (GGE) for alternative fuels for the 2014 calendar
year.

Notice is hereby issued, in accordance with Section 11-14C-5 of the West Virginia Code and
based upon available information, the gasoline gallon equivalents for alternative fuel for purposes of
the Motor Fuel Tax for the period beginning January 1, 2014 and ending December 31, 2014,
inclusive are as follows:

Gasoline Gallon Equivalents of Alternative Fuels

Table with 2 columns: Alternative Fuel, Measure of Fuel with Energy Equal to One Gallon of Gasoline. Rows include Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG), and Liquefied Petroleum Gas (LPG - Propane).

The total amount of tax imposed per GGE for alternative motor fuels used in vehicles on the
highways for this State will be as follows (rounded to the nearest tenth of a cent):

- Propane: 6.2 cents per gallon x 1.367 GGE = 8.5 cents/GGE + 20.5 cents/CGE = 29.0 cents/GGE
CNG: 30.4 cents/1,000 CF x 126.67 CF/GGE = 3.9 cents/GGE + 20.5 cents/GGE = 24.4 cents/GGE
LNG: 2.5 cents per gallon X 1.554 GGE = 3.9 cents/GGE + 20.5 cents = 24.4 cents/GGE

Notice of this determination will be filed in the West Virginia Register.

Issued: November 25, 2013

Signature of Mark W. Matkovich
Mark W. Matkovich
Acting Tax Commissioner

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Effective January 1, 2014, the following are required to obtain a Motor Fuel License:

- **Alternative-fuel bulk end user-** a person who maintains storage facilities for alternative fuel and uses part or all of the stored fuel to operate a motor vehicle.
- **Producer/manufacturer-** a person who produces, refines, blends, distills, manufactures or compounds motor fuel.
- **Provider of alternative fuel-** a person who does one or more of the following:
 - o Acquires alternative fuel for sale or delivery to an alternative-fuel bulk end user or an alternative-fuel retailer;
 - o Maintains storage facilities for alternative fuel including alternative-fuel home refueling infrastructures and alternative-fuel commercial refueling infrastructures, part or all of which the person uses or sells to someone other than an alternative-fuel bulk end user or an alternative-fuel retailer to operate a highway vehicle;
 - o Sells alternative fuel and uses part of the fuel acquired for sale to operate a highway vehicle by means of a fuel supply line from the cargo tank of the vehicles to the engine of the vehicle;
 - o Imports alternative fuel into this state by a means other than the usual tank or receptacle connected with the engine of a highway vehicle for use by that person to operate a highway vehicle.
- **Retailer of alternative fuel-** a person who maintains storage facilities, including alternative-fuel vehicle commercial refueling infrastructure, for alternative fuel and who sells the fuel at retail or dispenses the fuel at a retail location to operate a motor vehicle.

If you currently hold a Motor Fuel Excise Tax License, you are not required to submit an additional WV/MFT -APP, West Virginia Motor Fuel Excise Tax License Application. You should notify the Tax Department in writing of any of these additional activities so that a new Motor Fuel License can be issued.

Should you have any questions or require assistance, please contact one of the following:

Crystal Peal (304) 558-8626 Crystal.G.Peal@wv.gov	Mark Waid (304)558-8624 Mark.A.Waid@wv.gov	Anetria Stewart (304) 558-8619 Anetria.F.Stewart@wv.gov
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