



## Registering for Natural Gas Fuel Taxes And Exemptions

### Registration

A natural gas fuel retailer and any business that uses natural gas fuel in a motor vehicle must obtain a license as a natural gas fuel retailer.

A **natural gas fuel retailer** is any business that sells, produces, or refines natural gas fuel for use in a motor vehicle, as defined in section 206.01(23), Florida Statutes (F.S.). The term also includes any business that purchases natural gas tax-free and uses it in a motor vehicle.

**Natural gas fuel** includes any liquefied petroleum gas, compressed natural gas, or any combination of these fuels used in a motor vehicle. Examples include natural gasoline, butane gas, propane gas, or any other form of liquefied petroleum gas, compressed natural gas, or liquefied natural gas.

In addition to a retailer of natural gas fuel license, dual users of natural gas fuels should determine whether they must also register for sales and use tax or gross receipts tax.

A **dual user** is a natural gas fuel retailer that is also a distributor or a user of natural gas. An example of a dual user is anyone who uses natural gas for heat and to fuel vehicles.

A dual user falls into one or both of the following categories:

- **Distributor** – Any business that receives payment for the sale or transportation of natural or manufactured gas to a retail consumer in Florida for utility services must register with the Florida Department of Revenue (Department) to report and pay gross receipts tax under chapter 203, F.S. This definition does not include natural gas transmission companies subject to the jurisdiction of the Federal Energy Regulatory Commission.

- **User of Natural Gas** – Any business that imports either natural gas or manufactured gas into Florida for its own use as a substitute for purchasing taxable utility, transportation, or delivery services under ch. 203, F.S. If the businesses cannot document that tax has already been paid, it must register to report and pay use tax under ch. 212, F.S.

## **Exemptions**

The imposition of natural gas fuel tax on fuel used in motor vehicles has been delayed until January 1, 2030. As a result, a retailer of natural gas fuel may purchase natural gas fuel exempt from natural gas tax until January 1, 2030.

To purchase fuel tax-exempt, the retailer must provide the seller with a certificate stating that the fuel will be used exclusively in the fuel supply system of a motor vehicle. The seller must retain the required certificate to document the exempt sale.

Natural gas fuel placed into the fuel supply system of a motor vehicle are also exempt from sales tax and gross receipts tax. To claim this exemption at the time of purchase, the purchaser must provide a certificate stating that the fuel will be used exclusively in a motor vehicle.

- **Dual Users** – Any business purchasing natural gas and natural gas fuel that is not separately metered for taxable uses and motor vehicle fuel should obtain a natural gas fuel retailer's license and also determine whether they are required to register for sales and use tax and/or gross receipts tax. The purchaser will buy the fuel tax-exempt and must self-accrue and remit the applicable taxes to the Department. The purchaser must provide the seller with a certificate stating that the purchaser will self-accrue and remit the applicable taxes to the Department. If the fuel used in motor vehicles is separately metered, the purchaser only needs to obtain a natural gas fuel retailer license. Any applicable sales tax or gross receipts tax will be paid directly to the supplier.

**References: Chapters 203, 206.9952, 206.9953, 212.08, Florida Statutes**

## 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 the Department's website at **floridarevenue.com** or call Taxpayer Services at (850) 488-6800, Monday through Friday (excluding holidays).

For a written reply to tax questions, email **fdortaxpayerservices@floridarevenue.com**.

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