

State of California
BOARD OF EQUALIZATION
DIESEL FUEL TAX REGULATIONS

Regulation 1434. Sales of Diesel Fuel to the United States and its Agencies and Instrumentalities.

Reference: Sections 60100, 60501, 60502 and 60508 of the Revenue and Taxation Code.

(a) IN GENERAL. The diesel fuel tax does not apply to the sale of diesel fuel to the United States and its agencies and instrumentalities. Examples of the United States and its agencies or instrumentalities include, but are not limited to, the American Red Cross, U.S. Postal Service, branches of the armed services, military exchanges, and agencies such as the USDA Forest Service and the Department of Housing and Urban Development.

(b) SALES OF EX-TAX DIESEL FUEL. A supplier licensed under the Diesel Fuel Tax Law that makes sales of ex-tax diesel fuel to the United States and its agencies and instrumentalities, may claim an exemption on its diesel fuel tax return.

(c) SALES OF TAX-PAID DIESEL FUEL.

(1) A supplier licensed under the Diesel Fuel Tax Law that makes sales of tax-paid diesel fuel to the United States and its agencies and instrumentalities may claim a credit on its diesel fuel tax return. The tax-paid fuel may be sold in bulk or through any company-owned retail service station.

(2) A person licensed as an ultimate vendor under the Diesel Fuel Tax Law who makes a sale of tax-paid fuel to the United States and its agencies and instrumentalities may claim a refund on its diesel fuel tax claim for refund referenced in subdivision (d).

(3) A diesel fuel seller not required to be licensed under the Diesel Fuel Tax Law, including, but not limited to, a wholesaler, access card issuer or service station operator may file a claim for refund of tax on its sales of tax-paid diesel fuel to the United States and its agencies and instrumentalities as to those gallons of diesel fuel it sells ex-tax to the United States and its agencies and instrumentalities. The claim for refund may only be filed by the person that owned the tax-paid diesel fuel and directly sold the tax-paid diesel fuel to the United States and its agencies and instrumentalities.

“Access card issuer” means a person that issues to a customer an access card or code or similar access device which entitles the customer to obtain fuel owned by the access card issuer at participating fuel dispensing sites. As used in this regulation “fuel owned by the access card issuer” means fuel owned by the access card issuer at its own fuel dispensing site or fuel purchased by the access card issuer from an operator of a fuel dispensing site at the time that the fuel is dispensed to the United States and its agencies and instrumentalities.

(d) CONTENTS OF CLAIM FOR REFUND. A claim for refund filed by a diesel fuel seller who is not an ultimate vendor shall contain the information required by Revenue and Taxation Code § 60501(b). A claim for refund filed by an ultimate vendor shall contain the information required by Revenue and Taxation Code § 60502(c).

(e) DOCUMENTATION FOR BULK TRANSACTIONS. Any person claiming an exemption, credit, or refund for bulk sales of diesel fuel to the United States and its agencies and instrumentalities, must retain supporting documentation. Documentation may include, but is not limited to:

(1) A copy of the United States government purchase order or other documentation authorizing the purchase of the diesel fuel.

(2) A copy of the billing invoice or other documents identifying the United States and its agencies and instrumentalities as the purchaser of the diesel fuel, the invoice billing date, the invoice billing number, the number of diesel fuel gallons sold to the United States and its agencies and instrumentalities and a clear indication that no diesel fuel tax reimbursement was collected from the United States and its agencies and instrumentalities.

(3) Documentation showing that the diesel fuel in question was acquired ex-tax by a licensed supplier claiming the exemption.

(4) Documentation showing that the diesel fuel in question was acquired tax-paid by a person claiming the credit or refund.

Regulation 1434. *(Continued)*

(f) DOCUMENTATION FOR NON-BULK TRANSACTIONS. Any person claiming a credit or filing a claim for refund on retail sales of tax-paid fuel sold in non-bulk quantities, including credit card sales to the United States and its agencies and instrumentalities, must retain supporting documentation. Documentation may include, but is not limited to:

(1) A copy of the billing invoice or other documentation identifying the United States and its agencies and instrumentalities as the purchaser of the diesel fuel, the invoice billing date, the invoice billing number, the number of diesel fuel gallons sold to the United States and its agencies and instrumentalities and a clear indication that no diesel fuel tax reimbursement was collected from the United States and its agencies and instrumentalities.

(2) Documentation showing that the diesel fuel in question was acquired tax-paid by a person claiming the credit or refund.

(3) A copy of the credit card receipt or listing of credit card transactions provided by the card processor, identifying the United States and its agencies and instrumentalities as the purchaser of the diesel fuel, the date of the transaction, the record number of the receipt, and the number of diesel fuel gallons sold to the purchaser.

(4) A copy of the charge back of the tax to the retailer by the credit card processor.

History: Adopted February 6, 2002, effective June 12, 2002.