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Sent: Thursday, April 27, 2017 3:44 PM
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Subject: Carbon Tax Information

Professor Milne and Rep. Deen,

Just a quick clarification/addition to the testimony presented this afternoon.

The “Short Primer” (page 10) misses two significant taxes paid by consumers of heating oil, kerosene and dyed (off-road) diesel.

Every gallon delivered in bulk of those three distillate fuels is assessed a 1-cent per gallon Petroleum Distributors Licensing Fee (PDLF). This is similar to the 1-cent PDLF paid on sales of clear, on road diesel and gasoline and pays for pollution mitigation efforts.

It should also be noted that commercial sales of heating oil, kerosene and dyed (off-road) diesel are also assessed Vermont’s 6% Sales and Use Tax. In the case of heating oil and kerosene, it is all commercial sales. When it comes to dyed (off-road) diesel it depends on whether the fuel is for propulsion or non-propulsion use, and whether the consumer has an agricultural, manufacturing or municipal exemption.

Thank you for your time and consideration.

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