

Hello Chair James and Jack,

Thanks for taking the time to hear from the Tax Department yesterday and for considering our requested edits to include reference to our confidentiality provisions in H.125.

As promised, I wanted to confirm the scope of the Fuel Tax for the Committee – when and who it applies to.

The Fuel Tax on heating fuels is imposed on the retail delivery in Vermont, to any retail customer, including residences and businesses. [33 V.S.A. § 2503\(a\)\(1\)](#). This is a retail tax, so it is only imposed on the final retail sale, not on wholesale sales. It is also only imposed on deliveries, so if a customer is purchasing at the pump of the fuel dealer, then no tax is due. Note as well that there are gross receipts taxes on the retail sale of natural gas, coal, and electricity. [33 V.S.A. § 2503\(a\)\(1\)](#) and (a)(2).

In case it's useful, here's the [Fuel Tax \(& Petroleum Distributer Fee\) return](#) and [instructions](#).

Very best,
Rebecca

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