

# Chapter 308-77 WAC

## SPECIAL FUEL TAX RULES AND REGULATIONS

### WAC

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308-77-010	Definitions. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-010, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.37.170. WSR 94-11-029, § 308-77-010, filed 5/9/94, effective 6/9/94. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-010, filed 8/1/79; Order 475-DOL, § 308-77-010, filed 12/30/77; Order MV-191, § 308-77-010, filed 3/27/74; Order MV-137, § 308-77-010, filed 6/1/72; Order 114 MV, § 308-77-010, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
308-77-020	Incidental use/exemptions. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-020, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-020, filed 8/1/79; Order 114 MV, § 308-77-020, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
308-77-030	Special fuel supplier's license. [Statutory Authority: RCW 82.38.020 (7), (8) and (9), 82.38.030, 82.38.040, 82.38.050, 82.38.080, 82.38.090, 82.38.120 and 82.38.260. WSR 89-03-005 (Order PFT 89-02), § 308-77-030, filed 1/6/89. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-030, filed 8/1/79; Order 114 MV, § 308-77-030, filed 11/26/71.] Repealed by WSR 97-17-062, filed 8/18/97, effective 9/18/97. Statutory Authority: RCW 34.05.354.
308-77-032	Special fuel dealer's license. [Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-032, filed 8/1/79.] Repealed by WSR 98-24-011, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.36.435 and 82.38.260.
308-77-034	Special fuel user's license. [Statutory Authority: RCW 82.38.260. WSR 92-01-014, § 308-77-034, filed 12/6/91, effective 1/6/92; WSR 90-13-038 (Order PFT 90-04), § 308-77-034, filed 6/14/90, effective 7/15/90. Statutory Authority: RCW 82.38.020 (7), (8) and (9), 82.38.030, 82.38.040, 82.38.050, 82.38.080, 82.38.090, 82.38.120 and 82.38.260. WSR 89-03-005 (Order PFT 89-02), § 308-77-034, filed 1/6/89. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), §

308-77-040	308-77-034, filed 8/1/79.] Repealed by WSR 98-24-011, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.36.435 and 82.38.260. Issuance of license. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-040, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.38.260. WSR 92-01-014, § 308-77-040, filed 12/6/91, effective 1/6/92; WSR 90-13-038 (Order PFT 90-04), § 308-77-040, filed 6/14/90, effective 7/15/90. Statutory Authority: RCW 82.38.020 (7), (8) and (9), 82.38.030, 82.38.040, 82.38.050, 82.38.080, 82.38.090, 82.38.120 and 82.38.260. WSR 89-03-005 (Order PFT 89-02), § 308-77-040, filed 1/6/89. Statutory Authority: RCW 82.38.260. WSR 86-02-058 (Order TL-RG-24), § 308-77-040, filed 12/31/85; WSR 79-08-140 (Order 548 DOL), § 308-77-040, filed 8/1/79; Order 475-DOL, § 308-77-040, filed 12/30/77; Order MV-191, § 308-77-040, filed 3/27/74; Order MV-175, § 308-77-040, filed 10/24/73; Order 114 MV, § 308-77-040, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
308-77-042	Special fuel user bond. [Statutory Authority: RCW 82.38.020(12), 82.38.110 and 82.38.260. WSR 89-03-034 (Order PFT 89-01), § 308-77-042, filed 1/11/89.] Repealed by WSR 98-24-011, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.36.435 and 82.38.260.
308-77-044	Bonding requirements. [Statutory Authority: RCW 82.38.020(12), 82.38.110 and 82.38.260. WSR 89-03-034 (Order PFT 89-01), § 308-77-044, filed 1/11/89.] Repealed by WSR 98-24-011, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.36.435 and 82.38.260.
308-77-045	Expiration of license. [Statutory Authority: RCW 82.38.260. WSR 86-02-058 (Order TL-RG-24), § 308-77-045, filed 12/31/85; WSR 79-08-140 (Order 548 DOL), § 308-77-045, filed 8/1/79.] Repealed by WSR 00-16-045, filed 7/26/00, effective 8/26/00. Statutory Authority: Chapters 46.87 and 82.38 RCW.
308-77-050	Cancellation or revocation of license. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-050, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-050, filed 8/1/79; Order 114 MV, § 308-77-050, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
308-77-060	Special fuel dealers' liability for the tax. [Statutory Authority: RCW 82.37.170. WSR 94-11-029, § 308-77-060, filed 5/9/94, effective 6/9/94. Statutory Authority: RCW 82.38.020 (7), (8) and (9), 82.38.030, 82.38.040, 82.38.050, 82.38.080, 82.38.090, 82.38.120 and 82.38.260. WSR 89-03-005 (Order PFT 89-02), § 308-77-060, filed 1/6/89. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-060, filed 8/1/79; Order 475-DOL, § 308-77-060, filed 12/30/77; Order 114 MV, § 308-77-060, filed 11/26/71.] Repealed by WSR 98-24-011, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.36.435 and 82.38.260.
308-77-065	Tax liability on leased motor vehicles. [Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-065, filed 8/1/79; Order MV-137, § 308-77-065, filed 6/1/72.] Repealed by WSR 86-02-058 (Order TL-RG-24), filed 12/31/85. Statutory Authority: RCW 82.38.260.
308-77-070	Exemptions. [Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-070, filed 8/1/79; Order 475-DOL, § 308-77-070, filed 12/30/77; Order MV-175, § 308-77-070, filed 10/24/73; Order 114 MV, § 308-77-070, filed 11/26/71.] Repealed by WSR 98-24-011, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.36.435 and 82.38.260.

308-77-080	Exemption from payment of tax to a designated special fuel dealer. [Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-080, filed 8/1/79; Order 114 MV, § 308-77-080, filed 11/26/71.] Repealed by WSR 91-03-018, filed 1/7/91, effective 2/7/91. Statutory Authority: RCW 82.38.260.	
308-77-090	Computation of tax on mileage basis. [Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-090, filed 8/1/79; Order 475-DOL, § 308-77-090, filed 12/30/77; Order MV-175, § 308-77-090, filed 10/24/73; Order 114 MV, § 308-77-090, filed 11/26/71.] Repealed by WSR 97-17-062, filed 8/18/97, effective 9/18/97. Statutory Authority: RCW 34.05.354.	308-77-125
308-77-091	Electronic fund transfers. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-091, filed 11/19/98, effective 1/1/99.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.	308-77-130
308-77-092	Refund for bad debt loss (other than a special fuel supplier). [Statutory Authority: RCW 82.38.260. WSR 01-22-073, § 308-77-092, filed 11/1/01, effective 12/2/01.] Repealed by WSR 09-07-075, filed 3/16/09, effective 4/16/09. Statutory Authority: RCW 82.38.260.	308-77-140
308-77-093	Delinquent account notification process. [Statutory Authority: RCW 82.38.260. WSR 01-22-073, § 308-77-093, filed 11/1/01, effective 12/2/01.] Repealed by WSR 09-07-075, filed 3/16/09, effective 4/16/09. Statutory Authority: RCW 82.38.260.	308-77-150
308-77-095	Minimum tax payment. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-095, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.37.170. WSR 94-11-029, § 308-77-095, filed 5/9/94, effective 6/9/94. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-095, filed 8/1/79.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.	308-77-160
308-77-097	IFTA recordkeeping requirements. [Statutory Authority: RCW 82.38.260. WSR 01-22-073, § 308-77-097, filed 11/1/01, effective 12/2/01.] Repealed by WSR 09-07-075, filed 3/16/09, effective 4/16/09. Statutory Authority: RCW 82.38.260.	308-77-165
308-77-100	Credit for bad debt losses of special fuel dealers. [Statutory Authority: RCW 82.38.260. WSR 91-03-018, § 308-77-100, filed 1/7/91, effective 2/7/91; WSR 79-08-140 (Order 548 DOL), § 308-77-100, filed 8/1/79; Order MV-137, § 308-77-100, filed 6/1/72; Order 114 MV, § 308-77-100, filed 11/26/71.] Repealed by WSR 98-24-011, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.36.435 and 82.38.260.	308-77-170
308-77-101	Tax exempt sales. [Statutory Authority: RCW 82.38.260. WSR 01-22-073, § 308-77-101, filed 11/1/01, effective 12/2/01.] Repealed by WSR 09-07-075, filed 3/16/09, effective 4/16/09. Statutory Authority: RCW 82.38.260.	308-77-180
308-77-105	Refund for bad debt loss (other than a special fuel supplier). [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-105, filed 11/19/98, effective 1/1/99.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.	308-77-190
308-77-107	Interest assessment on refund claims. [Statutory Authority: RCW 82.38.260. WSR 01-22-073, § 308-77-107, filed 11/1/01, effective 12/2/01.] Repealed by WSR 09-07-075, filed 3/16/09, effective 4/16/09. Statutory Authority: RCW 82.38.260.	308-77-200
308-77-110	Allowance of credit or refund of tax paid. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-110, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-110, filed 8/1/79; Order 114 MV, § 308-77-110, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.	308-77-210
308-77-115	Delinquent account notification process. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-115, filed 11/19/98, effective 1/1/99.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.	308-77-215
308-77-120	Tax reports. [Statutory Authority: RCW 82.38.260. WSR 90-13-038 (Order PFT 90-04), § 308-77-120, filed 6/14/90, effective 7/15/90; WSR 79-08-140 (Order 548 DOL), § 308-77-120, filed 8/1/79; Order MV-175, § 308-77-120, filed 10/24/73; Order 114 MV, § 308-77-	308-77-220
		120, filed 11/26/71.] Repealed by WSR 98-24-011, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.36.435 and 82.38.260.
		Tax rate change. [Statutory Authority: RCW 82.38.260. WSR 90-13-036 (Order PFT 90-02), § 308-77-125, filed 6/14/90, effective 7/15/90.] Repealed by WSR 98-24-011, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.36.435 and 82.38.260.
		Ten day reports and payments by special fuel dealer. [Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-130, filed 8/1/79; Order 114 MV, § 308-77-130, filed 11/26/71.] Repealed by WSR 98-24-011, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.36.435 and 82.38.260.
		Exemption of user from tax reporting. [Order MV-175, § 308-77-140, filed 10/24/73; Order MV-137, § 308-77-140, filed 6/1/72; Order 114 MV, § 308-77-140, filed 11/26/71.] Repealed by WSR 79-08-140 (Order 548 DOL), filed 8/1/79. Statutory Authority: RCW 82.38.260.
		Records, receipts and invoices. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-150, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-150, filed 8/1/79; Order 114 MV, § 308-77-150, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
		Sales invoices. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-160, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-160, filed 8/1/79; Order 114 MV, § 308-77-160, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
		Export sales. [Statutory Authority: Chapters 46.87 and 82.38 RCW. WSR 00-16-045, § 308-77-165, filed 7/26/00, effective 8/26/00. Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-165, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.38.260. WSR 90-13-038 (Order PFT 90-04), § 308-77-165, filed 6/14/90, effective 7/15/90.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
		Metric measurement. [Statutory Authority: Chapters 46.87 and 82.38 RCW. WSR 00-16-045, § 308-77-170, filed 7/26/00, effective 8/26/00. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-170, filed 8/1/79.] Repealed by WSR 09-07-075, filed 3/16/09, effective 4/16/09. Statutory Authority: RCW 82.38.260.
		Appeals. [Statutory Authority: Chapters 46.87 and 82.38 RCW. WSR 00-16-045, § 308-77-180, filed 7/26/00, effective 8/26/00. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-180, filed 8/1/79.] Repealed by WSR 04-09-012, filed 4/9/04, effective 5/10/04. Statutory Authority: RCW 82.38.260. Later promulgation, see WAC 308-77-102.
		Audit appeal procedure. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-190, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-190, filed 8/1/79.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
		Tax refund. [Order 114 MV, § 308-77-200, filed 11/26/71.] Repealed by WSR 79-08-140 (Order 548 DOL), filed 8/1/79. Statutory Authority: RCW 82.38.260.
		Claim for refund. [Order MV-137, § 308-77-210, filed 6/1/72; Order 114 MV, § 308-77-210, filed 11/26/71.] Repealed by WSR 79-08-140 (Order 548 DOL), filed 8/1/79. Statutory Authority: RCW 82.38.260.
		Mitigation of penalties and interest. [Statutory Authority: RCW 82.38.260. WSR 92-01-014, § 308-77-215, filed 12/6/91, effective 1/6/92.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
		Filing of refund claim. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-220, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-220, filed 8/1/79; Order 114 MV, §

- 308-77-220, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
- 308-77-225 Interest assessment on refund claims. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-225, filed 11/19/98, effective 1/1/99.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
- 308-77-230 Invoice requirements for refund purposes. [Statutory Authority: RCW 82.36.435 and 82.38.260. WSR 98-24-011, § 308-77-230, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-230, filed 8/1/79; Order 114 MV, § 308-77-230, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
- 308-77-250 Power take-off use. [Statutory Authority: RCW 82.36.-435 and 82.38.260. WSR 98-24-011, § 308-77-250, filed 11/19/98, effective 1/1/99. Statutory Authority: RCW 82.37.170. WSR 94-11-029, § 308-77-250, filed 5/9/94, effective 6/9/94. Statutory Authority: RCW 82.38.260. WSR 91-03-017, § 308-77-250, filed 1/7/91, effective 2/7/91; WSR 79-08-140 (Order 548 DOL), § 308-77-250, filed 8/1/79; Order MV 137, § 308-77-250, filed 6/1/72; Order 114 MV, § 308-77-250, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
- 308-77-260 Auxiliary engines. [Statutory Authority: RCW 82.36.-435 and 82.38.260. WSR 98-24-011, § 308-77-260, filed 11/19/98, effective 1/1/99; Order 114 MV, § 308-77-260, filed 11/26/71.] Repealed by WSR 01-22-073, filed 11/1/01, effective 12/2/01. Statutory Authority: RCW 82.38.260.
- 308-77-270 Repealer. [Order 114 MV, § 308-77-270, filed 11/26/71, effective 1/1/72.] Repealed by WSR 00-16-045, filed 7/26/00, effective 8/26/00. Statutory Authority: Chapters 46.87 and 82.38 RCW.

**WAC 308-77-005 Definitions.** (1) "Special fuel" as defined in RCW 82.38.020(23) includes diesel fuel, propane, natural gas, kerosene, biodiesel, and any other combustible liquid or gas by whatever name the liquid or gas may be known or sold for the generation of power to propel a motor vehicle on the highways except fuel that is subject to the tax imposed by chapter 82.36 RCW.

(2) "Biodiesel" a nonpetroleum-based diesel fuel consisting of short chain alkyl (methyl or ethyl) esters, made by transesterification of vegetable oil or animal fat (tallow), which can be used alone, or blended with conventional petrodiesel in unmodified diesel-engine vehicles.

(3) "Publicly owned firefighting equipment" means equipment owned and used for firefighting by any agency or political subdivision of the state of Washington and will include fire engines, aid cars, ambulances, and vehicles used to transport firefighting personnel.

(4) "Export" means to obtain special fuel in this state for sale or distribution outside this state. To be considered an "export" and qualify for exemption from the special fuel tax, special fuel obtained outside the bulk transfer terminal system must be physically off-loaded in the destination state, province, or foreign country. The exporter must be licensed or registered, if required, in the state, province, or country of destination.

(5) "Invoice" means any document, paper or electronic, evidencing the transfer of ownership of special fuel.

(6) "Net gallons" a standard gallon unit of petroleum of 231 cubic inches at 60 degrees Fahrenheit (U.S. petroleum gallon).

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-005, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-005, filed 11/1/01, effective 12/2/01.]

(3/16/09)

**WAC 308-77-015 Incidental use or exemptions.** (1) **When is the incidental operation of a nonlicensed vehicle exempt the special fuel tax?** Fuel is exempt the special fuel tax if the vehicle is not licensed or required to be licensed under chapter 46.16 or 46.87 RCW and is operated between two pieces of private property for a distance not exceeding fifteen miles. The movement of the vehicle must be incidental to the primary use of the vehicle.

(2) **When is off highway fuel use taxable?** If fuel is used in a continuous trip, which is partly on and partly off the highway, the tax applies to all the fuel used when the total distance traveled off the highway does not exceed one mile.

A continuous trip involves the use of a highway for the transportation of persons or property from one place to another; or, in a round trip, from the origin to the destination and return to the origin.

(3) **Are cash sales to qualified foreign diplomats and consular missions tax exempt?** No, only credit card purchases are exempt.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-015, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-015, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-025 Special fuel permits. When is a special fuel permit required?** If you are not an International Fuel Tax Agreement (IFTA) licensee, you must purchase a special fuel permit when entering this state if the commercial vehicle being operated has:

(1) Two axles and a gross vehicle weight or registered gross vehicle weight exceeding twenty-six thousand pounds; or

(2) Three or more axles regardless of weight; or

(3) Is a combination of vehicles, when the combined gross vehicle weight or registered gross vehicle weight exceeds twenty-six thousand pounds.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-025, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-025, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-035 Cancellation, suspension, or revocation of special fuel licenses. What happens when my license is canceled, suspended, or revoked?** The department will notify all special fuel licensees, except for IFTA, of the change in license status.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-035, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-035, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-04401 Waiving of bond requirements.**

(1) **Can the department waive the requirement to maintain a fuel tax bond?** Yes, if the department determines that the licensed distributor has sufficient financial assets to cover any Washington state fuel tax liability, including penalties and interest.

(2) **What is considered a financial asset?**

(a) A line of credit with a financial institution or supplier covering the cost of product and fuel tax liability; or

(b) United States dollars, bonds, or other obligations of the United States, the state, or any county of the state, deposited with the state treasurer.

**(3) How can I qualify to have my bonding requirement waived?**

(a) By filing a notarized statement with the department stating that your lines of credit with your financial institutions and your fuel suppliers is at a sufficient amount to include product cost and state fuel taxes. You must list the name of the financial institutions, the account numbers and dollar value of your lines of credit, and the names of your fuel suppliers. You must authorize the department to access this information with your financial institutions and suppliers; or

(b) Depositing in a financial institution an amount equal to the estimated monthly fuel tax payments and assigning this deposit to the department as security for performance under chapter 82.38 RCW; and

(c) Providing the department with satisfactory documentation indicating that the suppliers will not allow the licensed distributor to incur a liability, including fuel tax, in excess of the lines of credit.

**(4) What if the department denies my request for a waiver of the bond requirement?** You can appeal this decision as provided in chapters 82.38 RCW and 308-77 WAC.

**(5) What if I no longer maintain a line of credit or financial asset?** You must provide a surety bond to the department in the amount required by chapter 82.38 RCW, with a coverage beginning on or before the date the line of credit or financial asset became insufficient.

[Statutory Authority: RCW 82.38.260, WSR 09-07-075, § 308-77-04401, filed 3/16/09, effective 4/16/09. Statutory Authority: RCW 82.36.435 and 82.38.260, WSR 02-02-010, § 308-77-04401, filed 12/20/01, effective 1/20/02.]

**WAC 308-77-075 Payment due dates for special fuel taxes not paid by electronic funds. What if my payment due date falls on a Saturday, Sunday, or state legal holiday?** Payment is due on the next state business day. For example, if the payment due date falls on Saturday, the payment must be postmarked by Monday.

[Statutory Authority: RCW 82.38.260, WSR 09-07-075, § 308-77-075, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-075, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-085 Minimum payment or refund. (1) What is the minimum payment or refund for licensed accounts?** Ten dollars or less will not be owed or refunded.

**(2) What is the minimum refund for unlicensed refund claims?** Claims for less than twenty dollars will not be refunded.

[Statutory Authority: RCW 82.38.260, WSR 09-07-075, § 308-77-085, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-085, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-099 Invoices issued by licensees. (1) When is an invoice issued?** Every licensee must issue an invoice at the time of sale. If an electronic invoice is issued, a paper copy of the invoice is required to support a refund claim.

**(2) What information is required on an invoice?**

- (a) The name and address of the seller;
- (b) The name, address, and special fuel tax license number, if applicable, of the purchaser;
- (c) The date of delivery month, day, and year;

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(d) The location of the point of shipment. Alphanumeric codes are allowed if the definition keys are provided to the department;

(e) The physical address of the fuel delivery or exchange, if different than the purchaser address, including the name of the state, Canadian Province, or foreign country. Alphanumeric codes are allowed if the definition keys are provided to the department;

(f) In the case of a delivery into a federally recognized Indian reservation or onto Indian country, the invoice must identify the state, U.S. possession, or Canadian Province in which the delivery took place;

(g) Name of carrier transporting fuel;

(h) Name of product sold;

(i) The number of U.S. gallons of product sold in net or gross gallons;

(j) The price per gallon and total amount charged; and

(k) A statement on the invoice indicating if the fuel has been sold without the Washington state fuel tax.

**(3) What happens if a purchaser's invoice is lost or destroyed?** The seller can issue a duplicate or copy containing all information on the original invoice, if requested by the purchaser. The copies must be plainly marked "copy" or "duplicate."

**(4) What happens if an incorrect invoice is issued to the purchaser?** The seller must issue a corrected invoice to the purchaser. The invoice must clearly indicate that it is a corrected invoice and reference the original invoice.

[Statutory Authority: RCW 82.38.260, WSR 09-07-075, § 308-77-099, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-099, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-102 Appeals. (1) What are the appeal procedures?** Any person having been issued a notice of assessment for taxes, penalties, and/or interest who wishes to contest such notice may petition the department for an informal hearing in lieu of proceeding directly to a formal hearing. A petition for a hearing must be in writing and must be received by the department within thirty days after the receipt of the notice of assessment. A petition shall set forth the specific reasons why reassessment is sought and the amount of tax, interest, and/or penalties which you believe to be due.

**(2) What happens after the department receives the petition for an informal hearing?** Upon receipt of a petition for an informal hearing, the department will establish the time and place for the hearing and notify you by mail at least ten days prior to the scheduled date. If you are unable to attend the hearing on the date or time scheduled, you may request the department to reschedule the hearing.

**(3) What happens if I fail to appear for my informal hearing without prior notification?** Failure to appear may result in the loss of your informal administrative appeal rights.

**(4) What happens following my informal hearing?** The department will make a determination in accordance with the Revised Code of Washington, administrative rules, and policies established by the department.

**(5) What if I do not agree with the department's informal hearing determination?** You may, within thirty days after the date of mailing of the determination, appeal in writing and request a formal hearing by an administrative law

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judge. The appeal shall indicate the portions of the determination you feel are in error and set forth the reasons for believing the decision should be amended. The department will establish a time and place for a formal hearing and give you at least ten days' notice.

(6) **When does my reassessment become final?** The decision of the department upon a petition for reassessment shall become final, due and payable thirty days after service upon you unless you appeal further.

[Statutory Authority: RCW 82.38.260. WSR 01-22-073, § 308-77-102, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-103 Mitigation of penalties and interest.** (1) **What fee, penalty or interest may be mitigated or reduced?** The department may mitigate fees, penalties, dyed special fuel penalties, or interest from:

- Late or missing fuel tax returns;
- Unpaid or underpaid taxes;
- Incomplete records to support reported fuel usage;
- License reinstatement fees;
- Assessments; or
- Unlawful use of dyed special fuel.

(2) **How will the department make the decision?** The department may review records, account history, or other information.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-103, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-103, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-104 Filing of refund claims for non-licensees.** (1) **How do I apply for a refund?** Contact the department for a refund permit application and instructions.

(2) **What time period can I file for a refund claim?** You must file within thirteen months of the fuel purchase date. The department will use the postmark date to determine the thirteen-month time frame. We will not accept multiple refund claims for the same month. For example, if you have made a claim for purchases in June you cannot claim additional purchases for June on another claim form.

(3) **What do I need to send with my refund claim?** You must send in your fuel purchase invoices, schedules, and other documents listed on the refund claim form. If electronic invoices were issued, you must provide paper copies.

(4) **How do I account for my inventory?** Any fuel on hand by physical measurement at the end of the claim period, should be reported as ending inventory. This figure should be reported as the beginning inventory on your next claim form.

(5) **What does a licensed distributor send with their refund claim?** Summary schedules must be provided and the department may request invoices.

(6) **The following can sign a refund claim form:**

- (a) Individuals - permit holder;
- (b) Partnership - any one of the partners;
- (c) Business firm or corporation - owner, corporate officer or other authorized agent.

(7) **Can invoices have a different name than what is on the claim form?** No.

(8) **Can I request that my refund be assigned to another person?** Yes, if we receive a letter stating whom you would like the claim assigned to.

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(9) **How long will it take until I receive my refund?** Within thirty business days after we receive a properly completed claim.

(10) **How long do I maintain my refund records?** Keep them for five years after submitting your claim.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-104, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-104, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-106 Use tax for refunds.** (1) **Is use tax deducted from my refund claim?** Yes, unless you are exempt from the use tax in chapter 82.12 RCW.

(2) **How is use tax computed?** You can choose to:

- Calculate the use tax amount using the actual use tax rates and actual cost per gallon; or
- Have the department calculate the use tax amount using an average use tax rate and price per gallon.

Either method chosen must be used for each refund claim submitted during the calendar year, unless there has been a change in the department's estimated average fuel cost during that period.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-106, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-106, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-109 Invoice requirements for refund to nonlicensees and IFTA licensees.** (1) **What is a valid invoice?** A separate invoice must be issued for each fuel purchase. A single invoice may list multiple deliveries of fuel purchases made during a calendar month.

(2) **The following information must be included on the invoice:**

- (a) Name and address of the seller;
- (b) The type of fuel and number of gallons purchased;
- (c) Complete date of sale including month, day, and year;
- (d) Price per gallon; and
- (e) Total amount of sale.

(3) **The department will not accept invoices with altered, corrected, or erased information.**

(4) **What happens if the seller issues an electronic invoice?** A paper copy must be submitted with your refund claim.

(5) **What happens if I get an incorrect invoice?** The seller must issue a new invoice marked "correction" and reference the original.

(6) **What happens if I lose or destroy my invoice?** The seller may issue a copy. The copies must be plainly marked "copy" or "duplicate."

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-109, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-109, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-112 Power take-off (PTO) use.** (1) **What is PTO use?** It is fuel used in a motor vehicle engine to operate auxiliary equipment. The fuel must be supplied from the propulsion tank of the motor vehicle.

(2) **What is not considered auxiliary equipment?** Equipment such as air conditioning, power steering, generator, etc., that is considered an integral part of the operation of the vehicle.

(3) **What formula does the department use in determining PTO usage?** The tax exemption is calculated as a percentage of the total Washington taxable fuel:

Cement mixer	25%
Fire trucks (private)	25%
Mobile cranes	25%
Garbage trucks (with load compactor)	25%
Sewer cleaning truck/jet vactor	25%
Super suckers	25%
Line truck with digger/derrick or aerial lift	20%
Log truck with self loader	20%
Refrigeration trucks	20%
Sweeper trucks (must be motor vehicle)	20%
Boom truck/block boom	15%
Bulk feed truck	15%
Dump trailers	15%
Dump trucks	15%
Hot asphalt distribution truck	15%
Leaf truck	15%
Lime spreader	15%
Pneumatic tank truck	15%
Salt spreader on dump truck	15%
Seeder truck	15%
Semiwrecker	15%
Service truck with jack hammer/drill	15%
Snow plow	15%
Spray truck	15%
Tank transport	15%
Tank trucks	15%
Truck with PTO hydraulic winch	15%
Wrecker	15%
Car carrier with hydraulic winch	10%
Carpet cleaning van	10%
Others	7.5%

(4) **What if my fuel consumption is greater than the percentages indicated above?** If you can provide satisfactory documentation and records to show that the fuel consumed by the PTO is greater than the percentages indicated, the department may grant the higher percentage on a case-by-case basis.

(5) **What documents must accompany the refund claims?** All claims must be accompanied by valid purchase invoices to cover the total gallons of special fuel purchased, except that invoices for special fuel used in fuel oil delivery trucks or when measured by a metering device need only be equal to or greater than the gallons claimed as refundable. A support schedule for Washington PTO and power pumping credits must accompany each claim for refund.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-112, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-112, filed 11/1/01, effective 12/2/01.]

#### **WAC 308-77-114 Unauthorized use of dyed diesel.**

(1) **Is there any dye concentration in diesel fuel that the department cannot assess penalties for unlawful use?** No. The department may assess on any dye concentration found in licensed vehicles, vehicles required to be licensed, or in bulk storage tanks used to fuel licensed or required to be licensed vehicles.

(2) **Who can be assessed a penalty for unlawful use of dyed diesel?**

- (a) The operator of the vehicle;
- (b) The registered owners of the vehicle;
- (c) Any person responsible for the operation, maintenance, or fueling of the vehicle.

(3) **If dyed diesel is discovered in the fuel supply tanks of a vehicle, when must the fuel be removed?** Dyed diesel fuel must be removed from the vehicles within twenty-four hours from the time of discovery. Detection of dyed diesel in the same vehicles after the twenty-four-hour period will be considered as a separate violation.

(4) **Will I be assessed dyed diesel penalties on the fuel in bulk storage tanks?** Yes, if any dyed diesel fuel from the bulk storage tanks has been used for unlawful purposes.

(5) **How is the dyed diesel fuel in a bulk storage tank assessed?** The assessment is based on the capacity or estimated quantity of dyed diesel fuel in the bulk storage tanks without regard to how this fuel will be used.

(6) **What if I refuse the department or authorized representative access to inspect the vehicles or bulk storage tanks?** The penalty in RCW 82.38.170(13) will be calculated on the capacity of the bulk storage tanks and the number of vehicles subject to the refusal.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-114, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-114, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-116 Records.** (1) **What special fuel records must be kept?** Every person licensed or required to be licensed must maintain a complete monthly stock summary of the gallons of special fuel reflecting inventories, receipts, sales, use, other distribution, and loss or gain. The stock summary must be supported by:

- (a) Physical inventories of bulk storage plants taken at the close of each calendar month.
- (b) Meter readings taken at the close of each calendar month for pumps through which fuel is dispensed.
- (c) A record of fuel receipts, invoices, bills of lading, transfer documents, yield reports, and other documents relative to the acquisition of fuel.
- (d) A record of fuel disbursements, invoices, bills of lading and other documents relative to the disbursement of fuel.

(2) **If I am a licensed dyed fuel user or someone who is required to be licensed, do I keep the same records?** Yes.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-116, filed 3/16/09, effective 4/16/09; WSR 01-22-073, § 308-77-116, filed 11/1/01, effective 12/2/01.]

**WAC 308-77-155 On board computers or recording devices. Can I use on board computers or recording devices to record mileage?** Yes, with prior approval by the department.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-155, filed 3/16/09, effective 4/16/09. Statutory Authority: Chapters 46.87 and 82.38 RCW. WSR 00-16-045, § 308-77-155, filed 7/26/00, effective 8/26/00. Statutory Authority: RCW 82.37.170. WSR 94-11-029, § 308-77-155, filed 5/9/94, effective 6/9/94.]

**WAC 308-77-240 Refund records. What records do I need to keep to claim a refund of fuel taxes?**

- All special fuel receipts;
- The gallons of fuel used in each piece of equipment, both refundable and nonrefundable;
- Fuel inventory in bulk storage;
- Detailed fuel records for all withdrawals from bulk storage;
- Fuel purchased in small containers (ten gallons or less) for nonhighway use must show the type of equipment being used, i.e., boats, tractors, power saws, etc.

Each claimant must also keep on highway and off highway mileage records for each licensed vehicle.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-240, filed 3/16/09, effective 4/16/09. Statutory Authority: Chapters 46.87 and 82.38 RCW. WSR 00-16-045, § 308-77-240, filed 7/26/00, effective 8/26/00. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-240, filed 8/1/79; Order 114 MV, § 308-77-240, filed 11/26/71.]

**WAC 308-77-265 Tax exempt losses. (1) What is acceptable proof of loss for a credit or refund of fuel tax paid?**

(a) A notarized affidavit by a person having actual knowledge of the circumstances of the loss explaining the origin and destination of the shipment, the circumstances surrounding the quantity of fuel lost, fuel salvaged, disposition of the salvaged fuel, and procedures used in the determination of the quantity of fuel lost; or

(b) A signed statement by a federal, state, local or provincial official who has authority to investigate fuel loss; and

(c) A bill of lading or other shipping documents; and

(d) A statement by the licensee establishing ownership of the fuel at time of loss.

**(2) Are deductions for losses from bulk storage allowed?** Yes, special fuel that has been proven lost or destroyed, prior to distribution from a licensee's bulk storage facility outside of the bulk transfer terminal system may be considered a tax exempt loss.

**(3) How long do I retain my evidence substantiating my loss?** Five years from date of claim.

**(4) May I claim a deduction for stolen fuel?** No.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-265, filed 3/16/09, effective 4/16/09. Statutory Authority: Chapters 46.87 and 82.38 RCW. WSR 00-16-045, § 308-77-265, filed 7/26/00, effective 8/26/00. Statutory Authority: RCW 82.38.260. WSR 79-08-140 (Order 548 DOL), § 308-77-265, filed 8/1/79; Order MV-137, § 308-77-265, filed 6/1/72.]

**WAC 308-77-280 Natural gas, propane decal as evidence of payment of annual license fees. (1) Do I pay fuel tax when I purchase natural gas or liquefied petroleum gas (propane) for my licensed vehicle?** No, once you have

licensed your vehicle as being powered by natural gas or propane, you will pay an annual license fee in lieu of the fuel tax.

**(2) What proof is required to purchase natural gas or propane for my vehicle?** A decal will be issued that must be displayed on your vehicle that allows the purchase of natural gas or propane. This decal must be displayed in plain view on the vehicle near the fuel supply tank.

**(3) What if my vehicle operates with both motor fuel gasoline and natural gas or propane?** You will pay fuel tax on the gasoline as well as purchasing a decal.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-280, filed 3/16/09, effective 4/16/09. Statutory Authority: Chapters 46.87 and 82.38 RCW. WSR 00-16-045, § 308-77-280, filed 7/26/00, effective 8/26/00. Statutory Authority: RCW 82.38.260. WSR 81-14-048 (Order DOL 630), § 308-77-280, filed 6/30/81.]

**WAC 308-77-290 Dishonored checks. (1) What will happen if my check is dishonored?** The department will take collection action to recover any amounts owing and require all subsequent payments to be made in guaranteed funds, such as cash, cashier's check, or money order.

**(2) Are there any additional fees charged for a dishonored check?** Yes, a handling fee will be charged by the department for each dishonored check.

[Statutory Authority: RCW 82.38.260. WSR 09-07-075, § 308-77-290, filed 3/16/09, effective 4/16/09. Statutory Authority: RCW 46.01.110, 82.36.435, 82.38.260, 82.42.040, 46.87.010(2). WSR 00-08-032, § 308-77-290, filed 3/28/00, effective 4/28/00.]