

Guidelines for Dealers Operating Unmanned Compressed Natural Gas Refueling Stations

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This publication provides information to dealers who sell compressed natural gas (CNG) into the fuel supply tank of motor vehicles at unmanned retail locations. Texas imposes a \$0.15 per gallon tax on all combustible gas that exists in a gaseous state at 60 degrees Fahrenheit and at a pressure of 14.7 pounds per square inch absolute when used as a motor fuel.

A dealer may make sales of CNG into the fuel supply tank of motor vehicles at unmanned retail locations in Texas by following either the two-pump or the proprietary card method described below.

Two-Pump Method

Unmanned CNG refueling stations may sell CNG into the fuel supply tanks of motor vehicles by making available at each location a tax-free pump and a taxable pump. Each unmanned location must post signs in a conspicuous place to direct customers to the appropriate tax-free or taxable pumps.

Tax-Free Pumps

Tax-free CNG pumps are reserved for customer vehicles displaying a current Texas Prepaid Liquefied Gas Tax Decal and for vehicles exclusively operated by:

- the United States government;
- Texas school districts;
- commercial transportation companies providing transportation services to Texas school districts;
- Texas counties;
- nonprofit telephone cooperatives; and
- nonprofit electric cooperatives.

Commercial transportation companies that have been issued a letter of exception by the Comptroller may use a tax-free pump to refuel vehicles exclusively used to provide transportation services to Texas school districts.

Each tax-free pump must also display a sign or label notifying the customer their purchase/delivery is being videotaped and it is unlawful to deliver CNG into a Texas registered vehicle that does not display a current Texas Prepaid Liquefied Gas Tax Decal (other than vehicles licensed under the International Fuel Tax Agreement (IFTA), vehicles exclusively operated by the United States government, Texas school districts, Texas counties, Texas nonprofit telephone cooperatives and electric cooperatives).

Each tax-free pump must be equipped with a camera or cameras focused toward the passenger side of the vehicle (lower right corner of the windshield) and the front bumper of the vehicle to capture an image of the Texas Prepaid Liquefied Gas Tax Decal, the vehicle license plate and the date and time for each sale. The video must be maintained and made available to the Comptroller for review for four years following the date of the sale.

A time- and date-stamped receipt that includes the statement “No State Tax Paid” must be issued to the customer on each sale.

Taxable Pumps

Taxable CNG pumps are used to refuel vehicles that are not registered in Texas, vehicles licensed under IFTA regardless of where they are registered and vehicles displaying a current Motor Vehicle Dealer’s Liquefied Gas Tax Decal.

Each taxable pump must also display a sign or label notifying the customer their purchase/delivery is being videotaped and the \$0.15 per gallon state tax is included in the purchase price.

Each taxable pump must be equipped with a camera or cameras focused toward the front bumper of the vehicle to capture the vehicle license plate and the date and time for each sale. The video must be maintained and made available to the Comptroller for review for four years following the date of the sale.



For more information,
visit our website at
www.window.state.tx.us.

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A time- and date-stamped receipt that includes the statement "Includes 15 Cents per Gallon State Tax" must be issued to the customer on each sale.

Proprietary Card Method

Unmanned CNG refueling stations may sell CNG into the fuel supply tank of motor vehicles when sales are limited to customers using a proprietary credit card issued by the operator of the refueling station. Sales may not be made through the acceptance of a credit card not issued by the refueling station operator.

The operator of the unmanned CNG refueling station is responsible for determining whether their customer receives a proprietary card to make tax-free purchases or taxable purchases of CNG.

Tax-Free Proprietary Cards

Tax-free proprietary cards may be issued to customers with an active Texas Prepaid Liquefied Gas Tax Decal and to vehicles operated exclusively by the following organizations:

- the United States government;
- Texas school districts;
- commercial transportation companies providing transportation services to Texas school districts;
- Texas counties;
- Texas nonprofit telephone cooperatives; and
- nonprofit electric cooperatives.

Commercial transportation companies that have been issued a letter of exception by the Comptroller may be issued a tax-free proprietary card for refueling vehicles exclusively used to provide transportation services to Texas school districts.

The refueling station operator must verify the customer's Texas Prepaid Liquefied Gas Tax Decal through the Comptroller's website. The tax-free proprietary card must expire on the ending date of the customer's Prepaid Liquefied Gas Tax Decal.

Customers are required to sign a customer agreement stating the CNG will only be delivered into Texas-registered vehicles that display a valid Liquefied Gas Tax Decal. The signed customer agreement must be maintained in the records of the refueling station operator for a period of four years.

Taxable Proprietary Cards

Taxable proprietary cards may be issued to customers who purchase CNG into the fuel supply tank of motor vehicles not registered in Texas, vehicles holding an IFTA license and motor vehicle dealers who refuel vehicles displaying a current Motor Vehicle Dealer's Liquefied Gas Tax Decal.

See our website at www.window.state.tx.us/taxinfo/fuels/lg.html for additional information.

If you have questions, please call us at 1-800-252-1383.

We're Here To Help! *Call Toll-Free!*

If you have questions or need information on a specific tax, please call our toll-free numbers:

1-800-252-5555

911 Emergency Service/Equalization Surcharge
Automotive Oil Fee
Battery Fee
Boat and Boat Motor Sales Tax
Customs Broker
Fireworks Tax
Mixed Beverage Tax
Off-Road, Heavy-Duty Diesel Equipment Surcharge
Oyster Fee
Sales and Use Taxes
Telecommunications Infrastructure Fund

1-800-531-5441

Cement Tax
Inheritance Tax
Local Revenue
Miscellaneous Gross Receipts Taxes
Oil Well Servicing Tax
Sulphur Tax

1-800-531-5441, ext. 3-3630

WebFile Help

1-800-252-1381

Bank Franchise
Franchise Tax

1-800-252-7875

Spanish

1-800-531-1441

Fax on Demand (Most frequently requested Sales and Franchise tax forms)

1-800-252-1382

Clean Vehicle Incentive Program
Manufactured Housing Tax
Motor Vehicle Sales Surcharge,
Rental and Seller Financed Sales Tax
Motor Vehicle Registration Surcharge

1-800-252-1383

Fuels Tax
IFTA
LG Decals
Petroleum Products Delivery Fee
School Fund Benefit Fee

1-800-252-1384

Coastal Protection
Crude Oil Production Tax
Natural Gas Production Tax

1-800-252-1387

Insurance Tax

1-800-252-1385

Coin Operated Machine Tax
Hotel Occupancy Tax

1-800-252-1386

Certificates of Account Status/Good Standing
Officer and Director Information

1-800-862-2260

Cigarette and Tobacco

1-888-4-FILING (1-888-434-5464)

TELEFILE: To File by Phone

1-800-252-1389

GETPUB: To Order Forms and Publications

1-800-654-FIND (1-800-654-3463)

Treasury Find

1-800-321-2274

Unclaimed Property Claimants
Unclaimed Property Holders
Unclaimed Property Name Searches
512-463-3120 in Austin

1-877-44RATE4 (1-877-447-2834)

Interest Rate

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