Notice Required for Biodiesel and Renewable Diesel

Texas Law provides a tax exemption for the volume of biodiesel and renewable diesel and for the volume of biodiesel and renewable diesel blended with taxable diesel fuel. **This exemption must be passed to the ultimate consumer.** A diesel fuel vendor does not have the option to waive the exemption and collect the state motor fuels tax for the volume of biodiesel and renewable diesel in the blended product.

Comptroller Rule 3.443 details the information required on each sales invoice issued by wholesalers (refiners, producers, blenders, importers, resellers) and retail dealers. Identifying the volume of biodiesel and renewable diesel fuel on a sales invoice is not an option.

The volume of biodiesel and renewable diesel must be identified on the sales invoice on each sales transaction after the biodiesel or renewable diesel is produced and is first blended with taxable diesel fuel, and must continue to be identified on sales invoices until sold to the ultimate consumer. A wholesaler must identify on each sales invoice the volume of biodiesel or renewable diesel that is combined with taxable diesel fuel and indicate the state tax collected on each sale based on the volume that is taxable petroleum based diesel fuel.

Dealers must also identify on the retail pump and on each sales invoice the actual volume of biodiesel and renewable diesel or use the bracket system described in Rule 3.443(f) on retail sales to the ultimate consumer.