

**Commonwealth of Virginia
Current Taxation of Fuels**

**Motor Fuels
(Gasoline, Diesel, Blended Fuel, Aviation Fuel)**

Virginia Motor Fuel Tax Rates

- Gasoline and Gasoline Blends – 17.5 cents per gallon
- Gasohol – 17.5 cents per gallon
- Diesel and Diesel Blends – 17.5 cents per gallon
- Aviation Gasoline – 5 cents per gallon
- Aviation Jet Fuel – 5 cents per gallon
- Aviation Jet Fuel Used by Licensed Aviation Consumer – 5 cents per gallon on first 100,000 gallons; ½ cent per gallon over 100,000 gallons
- Storage Tank Fee – .6 cent per gallon (applied to gasoline, aviation gasoline, diesel fuel, dyed diesel fuel, blended fuel, heating oil)

Point at Which Virginia Tax Levied on Motor Fuels

- Removed from a refinery or a terminal
- Imported by a system transfer to a refinery or a terminal
- Imported by a means of transfer outside the terminal transfer system for sale, use or storage in Virginia
- If the fuel is gasohol, removed from a terminal or distribution facility except by a supplier for subsequent sale,
- If the fuel is gasohol, imported into Virginia outside the terminal transfer system by means other than a marine vessel, transport truck or railroad tank car

Alternative Fuels

(Combustible Gas, Liquid or Other Energy Source that Generates Power to Operate a Highway Vehicle)

Virginia Alternative Fuel Tax Rates

- 17.5 cents per Gasoline Gallon Equivalent (GGE)
 - Compressed Natural Gas (CNG): 126.67 cubic feet equals one gallon of gasoline
 - Liquid Natural Gas (LNG): 1.52 gallons equal one gallon of gasoline
 - Propane (LPG): 1.35 gallons equal one gallon of gasoline
 - Electricity: 33.56 kilowatt hours equal one gallon of gasoline
- Electric Motor Vehicle -- \$50 annual license tax collected at time of vehicle registration

Point at Which Virginia Tax Levied on Alternative Fuels

- Tax on alternative fuels is collected from whoever is responsible for selling or using the fuel for highway purposes.
- Tax is imposed at the point the alternative fuel is withdrawn from the storage tank.

Road Tax on Motor Carriers

- Heavy vehicles, generally those over 26,000 pounds, are subject to a road use tax equivalent to 21 cents per gallon of fuel used in the Commonwealth.
- In lieu of the road use tax carriers that operate heavy vehicles solely within Virginia pay an annual fee of \$150 per vehicle. The fee is paid at the time of vehicle registration.
- Interstate motor carriers pay the road use tax they owe to Virginia and other jurisdictions they operate in under the terms of the International Fuel Tax Agreement (IFTA).
- IFTA is an agreement between states and Canadian provinces which allows a carrier to register and pay motor fuel road tax to all participating states and provinces they travel in through the carrier's home or base state.
- A quarterly tax return is filed in the carrier's base state whereby the fuel used in each jurisdiction and the amount of tax due each jurisdiction is determined. Carriers are provided credit toward the tax due based on the amount of tax paid at the time they purchased the fuel. For instance, carriers are provided credit at a rate of 17.5 cents per gallon of fuel purchased in Virginia.
- The end result being that the tax imposed on interstate motor carriers is based on where they use their fuel rather than where they purchase their fuel.
- For Virginia the tax paid equates to a surtax of 3.5 cents per gallon over and above the tax paid on fuel used in other, smaller vehicles.