

STATE OF NEVADA



DEPARTMENT OF MOTOR VEHICLES
MOTOR CARRIER DIVISION

555 Wright Way
Carson City, NV 89711

Dear Prospective Dealer:

Enclosed is an application you requested regarding licensing as a Special Fuel Dealer and the Special Fuel Dealer Handbook. Please complete the appropriate application and return it to the department.

If you will be selling CNG, LNG and/or LPG, which will be pumped into a motor vehicle for taxable purposes, you must be licensed with the department. **If you import CNG, LNG and/or LPG, you are considered a supplier and must be licensed as a Special Fuel Supplier instead of a Special Fuel Dealer. Activities as a Special Fuel Dealer are allowed under a Special Fuel Suppliers license and are reported on a Special Fuel Suppliers return.**

In addition, as a licensed dealer, you are required to have a surety bond, cash bond, Time Certificate of Deposit (TCD), Letter of Credit or a savings certificate by. If furnishing a Time Certificate of Deposit (TCD), Letter of Credit or savings certificate, these documents must be issued by a bank or savings and loan association located in Nevada. A surety bond form is attached for your convenience.

If you have any questions, please feel free to contact the Fuel Industry Team at (775) 684-4711 Ext. 2.



MOTOR CARRIER DIVISION
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SPECIAL FUEL DEALER'S HANDBOOK

THIS HANDBOOK IS TO ASSIST THE SPECIAL FUEL DEALER
IN LICENSING AND PROPERLY REPORTING
SPECIAL FUEL TAXES FOR CNG, LPG OR LNG

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GENERAL INFORMATION

AUTHORITY

Nevada Revised Statute (NRS) 366.060 defines special fuel as all combustible gases and liquids used for the generation of power for propulsion of motor vehicles, except that it does not include motor vehicle fuel as defined in chapter 365 of NRS (gasoline).

NRS 366.062 defines a special fuel dealer as a person who sells compressed natural gas (CNG), liquefied natural gas (LNG) or liquefied petroleum gas or propane (LPG) and delivers any part thereof into the tank for the supply of fuel of a motor vehicle that is not owned or controlled by that person.

NEVADA REVISED STATUTE 366.220 STATES THAT IT IS UNLAWFUL FOR ANY SPECIAL FUEL DEALER TO SELL SPECIAL FUEL WITHIN THIS STATE UNLESS HE IS THE HOLDER OF A SPECIAL FUEL DEALER'S LICENSE ISSUED TO HIM BY THE DEPARTMENT OF MOTOR VEHICLES AND PUBLIC SAFETY.

THE DEPARTMENT WILL SEAL THE SPECIAL FUEL PUMPS OF ANY UNLICENSED SPECIAL FUEL DEALER.

APPLICATION REQUIREMENTS

1. Completion of a Department of Motor Vehicles Special Fuel Dealer Application.
2. Issuance of a surety bond, cash bond or a savings certificate by a bank or savings and loan association in Nevada.
 - A. The name listed on the security must be the same as the name of the licensee. If the security is a savings certificate, the certificate must be made payable to "DMV or licensee name." Certificates issued with "and" will be rejected.
 - B. The total amount of the bond or bonds of any holder of a special fuel dealer's license will be fixed by the department at not less than three times the estimated maximum monthly tax, determined in such an amount as the department deems proper, but the amount must not be less than \$100.
 1. When a savings certificate, certificate of deposit, investment certificate or cash is used, the amount required must be rounded up to the next larger integral multiple of \$10.
 2. If the department determines that a person is habitually delinquent in the payment of amounts due to the department, it may increase the amount of his security to no more than five times the maximum monthly tax.

TAX COLLECTION

1. Any special fuel dealer who delivers CNG, LNG and/or LPG into the fuel supply tanks of a motor vehicle is responsible for collecting the tax on the sale.
2. The current tax rate to be collected on the sale of CNG is 21 cents, LNG is 27 cents and LPG is .0640 cents per gallon.
3. All CNG, LPG, and LNG dispensed into the tank of a motor vehicle is taxed per gallon based on the following units of measurement: CNG = 5.66 pounds or 126.67 c.f. per gallon; LPG = 4.2 pounds or 36.3 c.f. per gallon; LNG = 6.06 pounds per gallon

EXEMPTIONS FROM CNG AND LPG TAX

1. The sale or use of CNG, LNG and LPG for any purpose other than to propel a motor vehicle upon the public highways of Nevada.
2. Sales made to the United States Government or any instrumentality thereof.
3. Sales made to any state, county, municipality, district or other political subdivision.
4. Sales made to any person to be used to propel a bus which is a part of a system;
 - A. Operating buses on regular routes and fixed schedules in an urban area,
and
 - B. Transporting persons who pay the established fare, **and**
 - C. Using public money to operate the system or acquire new equipment.

TAX RETURN FILING

1. On or before the last day of each month, a special fuel dealer shall file with the department a tax return for the preceding month, regardless of the amount of tax collected, on a form prescribed by the department.
 - A. When no taxable sales are present within a month only the Beginning Physical Inventory, Ending Physical Inventory and Meter Readings are required to be completed.
2. Any person who fails to pay any tax or fee required by chapter 366 of NRS to this state within the time required, shall pay a penalty of not more than 10 percent of the amount of the tax or fee that is owed, as determined by the department, in addition to the tax or fee, plus interest at the rate of 1 percent per month, or fraction of a month, from the last day of the month following the period for which the amount or any portion of the amount should have been reported until the date of payment.
3. A tax return or statement is considered delinquent when it has not been received by the department by the date the tax return or statement is due, as prescribed by the provisions of this chapter.

SPECIAL NOTE: A TAX RETURN MUST BE COMPLETED AND FILED EVERY MONTH EVEN IF THERE WERE NO SALES, TAXABLE OR NON-TAXABLE.

RECORDS

1. The following records, used in the preparation of the tax return, must be preserved by the Special Fuel Dealer for four (4) years after the return is filed with the department.
 - A. Purchase invoices for all CNG, LNG and LPG received.
 - B. Tank inventories and meter readings.
 1. For proper record keeping, these readings should be recorded daily. However, they must be recorded at least at the end of each month.
 - C. One set of all sales tickets including special fuel tax collected at the pump listing:
 1. The date of the sale.
 2. The plate number of the vehicle.
 - D. One set of all sales tickets for exempt sales to vehicles registered to a governmental agency.
 1. The date of the sale.
 2. The plate number of the vehicle.
 3. The governmental agency name.
 - E. All other sales will be considered exempt from the road use tax and will be reported to the Department of Taxation for possible sales tax requirements.

SPECIAL NOTE: IF YOU ARE OPERATING VEHICLES WITH A COMBINED GROSS VEHICLE WEIGHT IN EXCESS OF 26,000 LBS., YOU MUST BE LICENSED WITH THE DEPARTMENT AS A SPECIAL FUEL USER.

CHANGE IN OPERATIONS

1. If there is a change in any information on your Dealer application after the initial filing and any future changes, please notify the department.
2. Upon discontinuance of CNG, LNG and/or LPG sales or upon the sale of your business:
 - A. Notify the department in writing at the time of the discontinuance or sale takes effect.
 1. The notice must give the date of discontinuance and, in the event of a sale, the date thereof and the name and address of the purchaser.
 - B. Surrender to the department the license certificate issued by the department.
 - C. File a final tax return.

Your Special Fuel Dealers License is NOT Transferable