



Department of Motor Vehicles
Tax Services
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VIRGINIA FUELS TAX INFORMATION AND NEWS MOTOR VEHICLE FUELS SALES TAX GOVERNMENT TRANSACTIONS

April 2015

The Motor Vehicle Fuels Sales Tax (MVFST), also known as the Wholesale Sales Tax, “is a tax upon every distributor who engages in the business of selling fuels at wholesale to retail dealers for retail sale” in certain localities, and is imposed as a percentage of the “sales price charged by a distributor for fuels sold to a retail dealer for retail sale” in those localities.

Only wholesale sales of fuel from a distributor directly to a government entity for the exclusive use of that government entity are exempt from the MVFST.

A distributor that sells or otherwise supplies fuel to its own retail outlets is deemed to have made a sale of the fuel to itself for retail sale. As such, he is considered both the distributor and the retail dealer for the purposes of the MVFST and such transactions are subject to the tax.

In 2010, when it was responsible for administering the MVFST, the Department of Taxation (TAX) published a guidance document, *Guidelines and Rules for the Motor Vehicle Fuels Sales Tax (Guidelines)*, which the Department of Motor Vehicles continues to use for informational purposes. In the *Guidelines*, TAX provided the following example of a transaction involving the sale to a governmental entity of fuel on which the MVFST has already been levied, which clearly indicates how such transactions are administered under the MVFST program:

Example 5:

Distributor sells fuel to a retail dealer and collects the Motor Vehicle Fuel Sales Tax. The fuel is purchased at the pump for a government car using a United States Government National credit card. The Federal Government cannot receive a refund for the Motor Vehicle Fuel Sales Tax as the tax was paid by the retail dealer. The retail dealer cannot receive a refund for the Motor Vehicle Fuel Sales Tax as the fuel was purchased for retail sale and is subject to the tax.

The Guidelines may be found at:

<http://www.tax.virginia.gov/laws-rules-decisions/rulings-tax-commissioner/10-101>

CONTACTS

Wholesale Sales Tax information can be found in **FUELS TAX** under **COMMERCIAL SERVICES** on www.dmvNow.com.

If you have any questions about any information in this document, contact Tax Services.

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