



INFORMATION AND NEWS
HOW TO REPORT EXEMPT TRANSACTIONS
MOTOR FUEL TAX RETURNS AND WHOLESALE TAX RETURNS
CLARIFICATION

February 2026

MOTOR FUELS TAX EXEMPTIONS

VA Code § 58.1-2226. Exemptions from tax state that no tax shall be levied or collected on motor fuel sold and delivered to a governmental entity for the exclusive use by the governmental entity. It also states that the exemption shall not apply with respect to fuel sold or delivered to any person operating under contract with the governmental entity.

VA Code §58.1-2259. Fuel uses eligible for refund of taxes paid for motor fuels state that a refund of the tax paid for the purchase of fuel in quantities of five gallons or more at any time shall be granted for over 29 reasons to include fuel (1) sold and delivered to a government entity for its exclusive use and (2) used by a governmental entity, provided persons operating under contract with a governmental entity shall not be eligible for such refund.

HOW TO REPORT EXEMPT MOTOR FUEL TRANSACTIONS -MOTOR FUEL TAX RETURN

VA Licensed Supplier sells products to an exempt entity, the tax is not charged, and the VA Supplier is required to report the transactions on the appropriate schedule in their monthly Virginia Fuels Tax Supplier Report.

- Schedule 8-Gallons sold to the U.S. Government and other tax-exempt persons by product group
- Schedule 9-Gallons sold to Virginia State and local governments by product group
- Schedule 5-Gallons sold at retail, tax not-collected using a credit or fleet card to tax-exempt entities by product group. Retail is owned by Supplier.

VA Licensed Distributor or **VA Licensed Importer** sells products to an exempt entity, reports the transaction in the monthly Virginia Fuels Tax Distributor Report or Virginia Importer Report and the transaction will create a credit that is refunded to the VA Licensed Distributor or the Licensed Importer. The exempt transactions are reported on the following schedule.

- Schedule 8-Gallons sold to the U.S. Government and other tax-exempt persons by product group
- Schedule 8C- Gallons sold at retail, tax not-collected using a credit or fleet card to the U.S. Government or other tax-exempt persons by product group. Retail own by Distributor or Importer.
- Schedule 9- Gallons sold to Virginia State and local governments by product group
- Schedule 9F-Gallons sold at retail, tax not-collected using a credit or fleet card to Virginia State and local governments by product group. Retail own by Distributor or Importer.

Unlicensed Entity to include Retailer, sells the product to an exempt entity, with or without the tax.

- Sold without tax – Unlicensed Entity to include Retailer can apply for a refund through the application-based refund process
- Sold with tax – Exempt entity can apply for a refund through the application-based refund process

HOW TO REPORT EXEMPT MOTOR FUEL TRANSACTIONS -WHOLESALE TAX RETURN

VA Licensed Wholesale Distributor delivers products to their retail locations and sells the product to an exempt entity, the transaction is reported on two schedules, and the net tax impact is zero. The return is designed to deduct gallons reported on Schedule 17A from total gallons you delivered to your retail locations and sold to an exempt entity on Schedule 16B.

- Schedule 16B -Gallons delivered to your retail locations by product group on 16B; and
- Schedule 17A -Exempt gallons by product group.

CONTACT DMV TAX SERVICES AT VAETS_SUPPORT@DMV.VIRGINIA.GOV