



Arizona Department of Transportation
Transportation Services Group

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June 11, 2012

TO: IFTA Jurisdictions
FROM: Revenue and Fuel Tax Administration

This memo is to clarify the footnote that Arizona recently posted in the 2nd Quarter 2012 Final Fuel Tax Rates. The footnote states:

“Vehicles less than 3 axles and with declared Gross Vehicle Weight under 26,001 lbs are taxed at \$.18 per gallon”

This posting of the \$.18/gallon tax rate for unqualified vehicles on the IFTA website was intended to raise the awareness of other jurisdictions, especially the respective Audit sections, regarding Arizona’s two-tiered tax rate for diesel fuel. Use class vehicles still pay \$.26 per gallon. If, however, use class vehicles go to a fuel pump designated for light class vehicles, they will only be paying \$.18 per gallon. If this were to occur, the IFTA return would obviously be understated.

This is not a new tax. Arizona has had a two-tiered diesel tax rate for quite some time. A civil penalty of \$1,000 is imposed for each violation of a use class vehicle that fuels at a light class pump. Vendors are required to place stickers on each fuel pump that clearly displays the appropriate tax rate. Moreover, vendors are required to include the appropriate tax rate on the receipt (See statute listed below). As with most jurisdictions, our enforcement resources are limited and violations of the law do occur.

Should you have any further questions, please contact Ashwani Bakshi, Fuel Tax Manager, at 602.712.7626, or Mark Zimmerman, Deputy Division Administrator, at 602.712.8381.

ARS §28-5617. Vendors; receipt

A. A vendor of use fuel, the use of which is taxable under this article, who sells and delivers the use fuel into a fuel tank shall give the user a receipt for the use fuel. The receipt shall include the following:

1. The date of purchase.
2. The seller's name and address.
3. The number of gallons purchased.
4. The type of fuel purchased.
5. The price per gallon of the fuel.
- 6. The rate of tax paid.**
7. Other information required by the director.