

**R865. Tax Commission, Auditing.**

**R865-4D. Special Fuel Tax.**

**R865-4D-21. Consistent Basis for Diesel Fuel Reporting Pursuant to Utah Code Ann. Sections 59-13-301 and 59-13-307.**

(1) Definitions.

(a) "Gross gallon" means the United States volumetric gallon with a liquid capacity of 231 cubic inches.

(b) "Net gallon" means the gross metered gallon with temperature correction in volume to 60 degrees Fahrenheit.

(2) All Utah licensed special fuel suppliers shall elect to calculate the tax liability on a consistent and strict gross gallon or net gallon basis. The election must be declared in writing and must be sent to the Tax Commission. The declared basis must be the exclusive basis used for 12 consecutive months. Any supplier failing to make an election will default to the gross gallon basis and must then report and pay the excise tax on that basis. Request for changes in the reporting basis must be submitted in writing and approved by the Tax Commission prior to any change in the reporting basis. Changes in basis may occur only on January 1 and must remain in effect 12 consecutive months.

(3) All invoices, bills of lading, and special fuel tax returns must include both the gross and net gallon amounts. Conversion from gross to net must conform to the ASTM-API-IP Petroleum Measurement Tables.

(4) All transactions, such as purchases, sales, or deductions must be reported on a consistent and exclusive basis. The taxpayer shall not alternate the two methods on any return or during any 12-month period.

(5) This rule shall take effect July 1, 1997.

**KEY: taxation, fuel, special fuel**

**Date of Enactment or Last Substantive Amendment: August 27, 2015**

**Notice of Continuation: January 3, 2012**

**Authorizing, and Implemented or Interpreted Law: 59-13-102; 59-13-301; 59-13-302; 59-13-303; 59-13-304; 59-13-305; 59-13-307; 59-13-312; 59-13-313; 59-13-501**