

Frequently Asked Questions – Motor Fuel Tax (AMC 12.55)

1. What is the effective date of the motor fuel tax AMC 12.55?

The motor fuel tax will take effect on March 1, 2018. (AO 2017-141).

2. Is there a fee to register as a Dealer?

There is no fee to register as a dealer and receive a Certificate of Registration. However, there is a fee of \$25.00 for reissuing a Certificate that has been lost, stolen, or defaced. (AMC 12.55.100B).

3. What is the municipal motor fuel tax rate?

The tax rate is ten cents (\$0.10) per gallon on motor fuel that is purchased, sold, or transferred within the Municipality of Anchorage. (AMC 12.55.030).

4. What is the purpose of the motor fuel tax?

Motor fuel tax revenue will be used to diversify municipal tax revenues and to provide immediate tax relief to property owners in the Municipality. (AM 734-2017).

5. Which fuels are subject to the motor fuel tax?

All liquid substances refined, compounded or produced ***primarily for the purpose*** of use in an engine for the propulsion of a motor vehicle that is required to be licensed or registered to be driven on a public road or highway. (AMC 12.55.010).

6. Can a purchaser of fuel in the Municipality receive a refund of motor fuel taxes paid, if the fuel is being used for off-road purposes (e.g., heating / generators / construction equipment / other off-road uses)?

No, because the tax is based on the primary purpose of the fuel ***as produced***, not the way the user intends to use the fuel. If the motor fuel (gasoline, diesel, other) was produced ***primarily for the purpose*** of use in an engine for the propulsion of a motor vehicle that is required to be licensed or registered to be driven on a public road of highway, but is merely used in a different manner, it is subject to the motor fuel tax. (AMC 12.55—Definition of Motor Fuel).

7. Is diesel fuel subject to motor fuel tax?

Yes. (AMC 12.55 Definition of Motor Fuel).

8. Which fuel types are not subject to the motor fuel tax?

Aviation and Marine fuels are not subject to the municipal motor fuel tax. (AO 2017-141, AMC 12.55.010).

9. When is motor fuel exempt from the municipal motor fuel tax?

Exemption from the municipal motor fuel tax is limited to the following situations, as described in AMC 12.55.040:

- a. Motor fuel that is sold or transferred between qualified dealers;
- b. Motor fuel that is sold or transferred to a person obtaining motor fuel with a valid certificate of use;
- c. Motor fuel that is sold or transferred to a qualified dealer or persons to whom motor fuel may be transferred without collecting tax under AS 43.40;
- d. Motor fuel that is exported;
- e. Motor fuel that is purchased for use by federal, state, or local government agencies, unless the motor fuel is purchased for the purpose of resale; and
- f. Loss of volume of motor fuel that occurs during handling, transportation, and storage, including loss of volume due to temperature changes of motor fuel.

10. Who is required to register, remit taxes, and file tax returns with the Municipality of Anchorage—Treasury Division?

AMC 12.55.050 states the tax is intended to be collected from the following persons; therefore, these persons are required to register, remit taxes, and file tax returns:

- a. The person who sells or transfers motor fuel to a reseller or user within the Municipality upon which the taxes imposed by this chapter have not been paid (i.e., Dealer);
- b. A user who purchases or acquires motor fuel outside of the Municipality and ships it into the municipality for personal use; and
- c. A user who purchases or receives motor fuel in the Municipality that was not taxed at the time of purchase or receipt and the fuel is used or consumed for a purpose that is not exempt.

Note: The tax is imposed only once, upon the first taxable event. (AMC 12.55.030).

11. When are tax returns due to be filed with Municipality of Anchorage—Treasury Division?

On or before the last day of each calendar month, every motor fuel taxpayer shall submit to the department a tax return upon a form provided by the department and shall remit in addition to that all taxes required to be paid by this chapter on motor fuel sales or transfers during the immediately preceding calendar month. A tax return shall be filed even if there are no taxes due for the period being reported. (AMC 12.55.140).

12. Do gas stations remit the motor fuel tax?

In most cases, the dealer that brings the fuel to the gas stations remits the motor fuel tax to the Municipality, pursuant to AMC 12.55.

13. Who do I contact to ask questions related to AMC 12.55?

Please call Treasury's Tax Enforcement Officers at 907-343-6634 / 6686 / 6967.

14. Can I file motor fuel tax returns and pay motor fuel taxes online?

No, not at this time. However, Treasury's motor fuel tax return is a fillable PDF and will automatically calculate the taxes due, as well as any applicable penalties and interest. The tax return is available online at www.muni.org/motorfueltax. After completing the tax return online, you must print and sign it, prior to mailing or hand-delivering the return and associated tax payment to Treasury.

For information regarding future plans for online services related to motor fuel tax, as well as possible current ACH payment options, please contact Treasury personnel.