



SC REVENUE PROCEDURE #94-3 (TAX)

**SUBJECT:** Trucking Equipment Refunds  
(Gasoline and Motor Fuel Taxes)

**EFFECTIVE DATE:** For refund requests received by the Department on or after October 1, 1994.

**SUPERSEDES:** All previous documents and any oral directives in conflict herewith.

**PURPOSE:** The purpose of this document is to change procedures presently followed by the Department of Revenue to ensure the proper refund of gasoline and motor fuel taxes under Code Section 12-27-1510.

**LAW:**

Code Section 12-27-1510 authorizes the issuance of refunds of gasoline and motor fuel taxes used in trucking equipment for nonhighway purposes, and reads:

A person who purchases and uses gasoline and other motor fuels taxed by this chapter and Chapter 29 of this title on trucking equipment for nonhighway purposes, other than propelling a motor vehicle, may apply for a refund of or credit on the fuel tax paid. Fuel refunds or credits for nonhighway use must be in accordance with regulations set forth by the Department of Revenue and Taxation and procedures used in filing for refunds or credits must be uniform with procedures required by the Internal Revenue Service. A person claiming a fuel tax refund or credit on truck equipment for nonhighway purposes shall make application to the department on proper forms within one year from the date of purchase. No refund must be granted on fuel not used or consumed by the purchaser before the filing of the application. The department may allow quarterly refunds for large users. If auxiliary equipment and the motor vehicle are powered off the same fuel tank, the Department of Revenue and Taxation shall determine what percentage of fuel is allowed for nonhighway purposes and subject to refund. (Emphasis added.)

The type of equipment for which refunds are generally issued, as evidenced by the Department's refund application Form L-2087, include equipment used with respect to bulk feed trucks, milk tank trucks, concrete mixers, boom trucks, block trucks, dump trucks dump trailers, tank trucks, tank transports, and sanitation compact vehicles.

In many cases the trucking equipment is powered off the same fuel tank as the motor vehicle itself. In accordance with the statute, the Department is required to determine what percentage of fuel used from this tank is used by the trucking equipment for nonhighway purposes and therefore subject to the refund authorized by Code Section 12-27-1510.

Since this legislation was enacted on May 9, 1988, the Department has allowed such refunds based on the presumption that 35% of the fuel is used to power the trucking equipment when the trucking equipment is powered off the same fuel tank as the motor vehicle. The same percentage is applied to all types of trucking equipment.

**PROCEDURES:**

Recently, the Department obtained information that indicates that the percentage upon which the refund is based varies considerably depending on the type of equipment.

Based on a review of information from other states and industry, the Department will establish percentages pursuant to Code Section 12-27-1510 that will be based on the type of trucking equipment.

**Established Percentages:** For all refund requests received by the Department on or after October 1, 1994, the following percentages will apply when issuing refunds for trucking equipment powered off the same fuel tank as the motor vehicle:

<b><u>TYPE OF TRUCK</u></b>	<b><u>EXEMPT PERCENTAGE</u></b>
Bulk Feed Trucks	15%
Milk Tank Trucks	30%
Lime Spreader	15%
Cement Mixer	30%
Boom Trucks/Block Boom	20%
Wrecker	10%
Semi-Wrecker	35%
Car Carrier w/Hydraulic Winch	10%
Dump Trucks	23%
Dump Trailers	15%

Tank Trucks	24%
Tank Transport	15%
Pneumatic Tank Trucks	15%
Refrigeration Trucks	15%
Sanitation Dump Trailers	15%
Sanitation Trucks	41%
Line Trucks, Digger/Derrick, Aerial Lift Trucks	20%
Fire Trucks	48%
Mobile Cranes	42%
Super Sucker	90%

The Office Services Division of the Department may, upon receipt or compilation of supporting documentation, issue refunds and/or establish exempt percentages for trucking equipment not listed above.

**Alternative Method:** If a taxpayer believes that one of the above percentages does not accurately reflect the percentage of fuel used to power the trucking equipment when the trucking equipment is powered off the same fuel tank as the motor vehicle, then the taxpayer may provide documentation to show that a different percentage should be used. If the Office Services Division, after review of the information provided, agrees with the taxpayer, then the refund will be issued in accordance with the taxpayer's documentation.

If the Office Services Division does not agree that the taxpayer's documentation supports the use of a different percentage, then the taxpayer will be issued the refund in accordance with the percentages established by the Department. The taxpayer will then have thirty days to appeal the decision of the Office Services Division. All appeals will be handled under the procedures established by the Department Of Revenue.

**Note: This revenue procedure applies to all refund requests received by the Department on or after October 1, 1994. Form L-2087 is presently being revised and will be available in the near future.**

For questions concerning trucking equipment refunds for gasoline and motor fuel taxes, contact Robert Cromer at (803) 737-4775 or John P. McCormack at (803) 737-4438.