

TITLE 17. TRANSPORTATION
CHAPTER 8. DEPARTMENT OF TRANSPORTATION
FUEL TAXES

(Authority: A.R.S. §§ 28-366, 28-5602 et seq.)

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ARTICLE 1. RESERVED**ARTICLE 2. RESERVED****ARTICLE 3. RESERVED****ARTICLE 4. ELECTRONIC FUNDS TRANSFERS****R17-8-401. Definitions**

In addition to the definitions provided under A.R.S. §§ 28-101 and 28-5601, the following terms apply to this Article:

“Automated Clearing House,” or “ACH,” means a central distribution and settlement point for the electronic clearing of debits and credits between financial institutions.

“ACH credit” means an electronic funds transfer:

Generated by a licensee, and
Cleared through an ACH for deposit to the Department account.

“ACH debit” means an electronic transfer of funds from a licensee’s account:

Authorized by a licensee-signed authorization agreement,
Generated at a licensee’s instruction, and
Cleared through an ACH for deposit to the Department account.

“Cash Concentration or Disbursement Plus,” or “CCD Plus,” means the standardized data format approved by NACHA for remitting tax payments electronically.

“Electronic Fuel Tax Program” means the Department program for the electronic filing of fuel tax reports and payment of fuel taxes.

“Electronic funds transfer” means a transmission of funds by electronic means to order, instruct, or authorize a financial institution to debit or credit an account pursuant to the Electronic Fuel Tax Program.

“Financial institution” means a licensed bank, savings and loan association, mutual savings bank or credit union.

“Licensee” means a person licensed under A.R.S. Title 28, Chapter 16, Article 1.

“MVD account number” means a confidential number assigned by the Department that identifies a licensee.

“NACHA” means NACHA - The Electronic Payments Association, which is a not-for-profit association that oversees the Automated Clearing House network.

“Payment information” means data the Department requires of a licensee when making an electronic funds transfer.

“State servicing bank” means the financial institution contracted to perform banking functions on behalf of the state.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 225, effective March 7, 2009 (Supp. 09-1).

R17-8-402. Applicability

- A.** A licensee authorized by the Department to file electronic fuel tax reports under A.R.S. Title 28, Chapter 16, shall remit payments to the Department by electronic funds transfer as provided under A.R.S. §§ 28-374, 28-5930, and this Article.
- B.** Payments subject to this Article include any tax or fee associated with:
1. Filing original or amended tax reports,
 2. Taxpayer billings associated with tax reports, or
 3. Audit assessments associated with tax reports.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 225, effective March 7, 2009 (Supp. 09-1).

R17-8-403. Electronic Funds Transfer Declaration

- A.** Prior to remitting an initial payment by electronic funds transfer, and within 30 days prior to any change in the method of

payment transfer, a licensee shall file with the Department an electronic funds transfer declaration.

- B.** The electronic funds transfer declaration shall be made on a form approved by the Department and shall contain the following:
1. Licensee name,
 2. Licensee Employer Identification Number (EIN),
 3. Business address,
 4. MVD account number,
 5. Fee or tax type,
 6. Either ACH credit or ACH debit payment method,
 7. Name and phone number of contact person, and
 8. Any other information required by the Director.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 225, effective March 7, 2009 (Supp. 09-1).

R17-8-404. Procedures for Payment

- A.** All electronic funds transfers shall be in compliance with the NACHA Operating Rules.
- B.** A licensee may remit payments by either ACH credit or ACH debit.
- C.** A licensee using the ACH credit method shall ensure that all ACH credit transfers are in the CCD-Plus addenda format and contain all information required by the Department and the licensee's financial institution to process the transfer.
- D.** A licensee using the ACH debit method shall electronically communicate the following payment information to the state servicing bank:
1. MVD account number,
 2. Payment amount, and
 3. Any other information required by the Director.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 225, effective March 7, 2009 (Supp. 09-1).

R17-8-405. Remedies

- A.** Violations of this Article shall result in the assessment of applicable penalties, interest, and late filing fees pursuant to A.R.S. Title 28, Chapter 16.
- B.** Licensure shall be subject to cancellation by the Department upon a licensee's failure to comply with this Chapter and A.R.S. Title 28, Chapter 16 or 25, for failing to file an electronic report as required under A.R.S. § 28-5930.
- C.** Remedies are cumulative. A cancellation of licensure under this Chapter or A.R.S. Title 28, Chapters 16 and 25, shall not terminate any reporting requirement or fee, tax, penalty or interest obligation.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 225, effective March 7, 2009 (Supp. 09-1).

ARTICLE 5. ELECTRONIC FUEL TAX REPORTING

R17-8-501. Definitions

In addition to the definitions provided under A.R.S. §§ 28-101 and 28-5601, the following terms apply to this Article:

“Applicant” means a person applying for licensure under A.R.S. Title 28, Chapter 16, Article 1.

“Electronic Fuel Tax Program” means the Department program for the electronic filing of fuel tax reports and payment of fuel taxes.

“Electronic Fuel Tax Reporting Agreement” means the contract between the Department and each licensee pertaining to filing electronic fuel tax reporting requirements in the form

and containing such terms and conditions as established by the Director from time to time.

“Electronic funds transfer” has the same meaning as provided under R17-8-401.

“Electronic Fuel Tax Report” means the monthly fuel tax report required under A.R.S. Title 28, Chapter 16, Article 1, filed pursuant to the Electronic Fuel Tax Program.

“Fuel Tax Suite” means the secure web site provided by the Department for filing fuel tax reports and accessing a licensee's fuel tax account.

“Licensee” means a person licensed under A.R.S. Title 28, Chapter 16, Article 1.

“Secure Access Gateway” means the Department's secure network application that allows a remote user to connect to the Fuel Tax Suite.

“ServiceArizona Access Request and Agreement” means the contract documenting terms and conditions for access to the Secure Access Gateway and Fuel Tax Suite established by the Director from time to time.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 278, effective March 7, 2009 (Supp. 09-1).

R17-8-502. Applicability; General Provisions

- A.** For the purpose of administering the reporting requirements under A.R.S. Title 28, Chapter 16, Articles 1 and 5, a licensee shall participate in the Electronic Fuel Tax Reporting Program as provided under this Article.
- B.** Each applicant and licensee shall apply for Department authorization to submit electronic fuel tax reports as required by the Department.
- C.** Each applicant and licensee shall enter into an Electronic Fuel Tax Reporting Agreement as a condition of licensure.
- D.** A licensee shall submit monthly fuel tax reports required under A.R.S. Title 28, Chapter 16, Article 1, using paper forms provided by the Department until authorized by the Department to file electronic fuel tax reports.
- E.** A licensee authorized by the Department to file electronic fuel tax reports shall complete monthly fuel tax reports only by means of the Electronic Fuel Tax Program and shall not submit such reports in paper form.
- F.** A licensee authorized by the Department to file electronic fuel tax reports shall submit fuel tax payments by electronic funds transfer as provided under Article 4. The licensee shall ensure that the fuel tax payments are deposited to the Department account as prescribed under A.R.S. Title 28, Chapter 16, Articles 1 and 5.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 278, effective March 7, 2009 (Supp. 09-1).

R17-8-503. Method and Medium of Transmission

- A.** A licensee shall submit electronic fuel tax reports to the Department through the Fuel Tax Suite.
- B.** The filing deadline is 5:00 p.m. (Arizona Mountain Standard Time) on the 27th day of each calendar month, or, if such day is a Saturday, Sunday, or Arizona legal holiday, the next following business day.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 278, effective March 7, 2009 (Supp. 09-1).

R17-8-504. Data Elements and Format

Electronic Fuel Tax Reports shall include the following:

1. Identification of the licensee,
2. Detailed load-by-load receipts information that establishes the amount of fuel received,
3. Detailed load-by-load disbursement information that establishes the amount of fuel delivered,
4. Diesel differential information that establishes the basis for the differential adjustment, and
5. Other information required by the Director.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 278, effective March 7, 2009 (Supp. 09-1).

R17-8-505. Record Retention; Audit

- A. A licensee shall retain the following records as provided under this Section:
 1. A copy of each electronic fuel tax report,
 2. A record of all transactions subject to the Electronic Fuel Tax Program,
 3. A record of all other electronic transmissions under the Electronic Fuel Tax Program,
 4. Back-up files adequate to recreate all electronic records, and
 5. All other records required under A.R.S. § 28-5619.
- B. A licensee shall make available to the Department for inspection all hard copy records, electronic records, books, receipts, disbursements, and accounts used in support of an electronic report as prescribed under A.R.S. Title 28, Chapter 16. At the time of inspection, the licensee shall provide the Department with access to the electronic reporting method and medium in effect at the time of all electronic transmissions sufficient for the Department to effectively follow the audit trail.
- C. A licensee shall retain the records specified under this Section for a period of three years following the latter of the filing due date or the actual filing date of an original or amended electronic fuel tax report. However, if notified by the Department of an audit, the licensee shall retain the records referenced in the Department's notice through the date the Department finalizes the audit.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 278, effective March 7, 2009 (Supp. 09-1).

R17-8-506. Remedies and Waiver

- A. Violations of this Article shall result in the assessment of applicable penalties, interest, and late filing fees pursuant to A.R.S. Title 28, Chapter 16, provided that, subject to statute, the Department may waive and extend compliance deadlines in order to advance the efficient administration of the Electronic Fuel Tax Program as it may, in its sole discretion, determine appropriate in particular cases.
- B. Licensure shall be subject to cancellation by the Department upon a licensee's failure to comply with this Chapter and A.R.S. Title 28, Chapter 16 or 25, for failing to file an electronic report as required under A.R.S. § 28-5930.
- C. Remedies are cumulative. A cancellation of licensure under this Chapter and A.R.S. Title 28, Chapters 16 and 25, shall not terminate any reporting requirement or fee, tax, penalty or interest obligation.

Historical Note

New Section made by final rulemaking at 15 A.A.R. 278, effective March 7, 2009 (Supp. 09-1).

ARTICLE 6. MOTOR FUEL REFUNDS**R17-8-601. Definitions and General Provisions**

- A. Definitions. The following definitions apply to this Article unless otherwise specified:

"Application" means a request for refund of motor fuel taxes, made on a form provided by the Division.

"Authorized representative" means a person who has authority to file an application on behalf of the Claimant, as authorized by a notarized power of attorney.

"Card lock use fuel facility" has the same meaning as a vendor as prescribed under A.R.S. § 28-5601(40), and satisfies requirements under A.R.S. § 28-5605.

"Claimant" means the taxpayer or an authorized representative of the taxpayer, also referred to as applicant.

"Complete application" means an application that includes supporting documentation and schedules, Claimant signature, and provides all information required on the application.

"Contaminated Fuel" means motor fuel under A.R.S. § 28-5601(18), which is accidentally tainted, and which is unsalable for highway use.

"Declaration of Status" means a statement on a form provided by the Division that a light class or exempt use class vehicle qualifies for use fuel tax differential under A.R.S. § 28-5606(B)(2).

"Daily log" means notations made by a driver of a commercial motor vehicle which records a daily record of duty status as specified under 49 CFR 395.5.

"Destination state" means a state in the United States, other than the state of Arizona.

"Diversion" means delivery of motor fuel to a destination state other than the intended destination as signified on a carrier bill of lading.

"Exempt use class motor vehicle" means a vehicle exempt from gross weight fees under A.R.S. § 28-5432.

"GPS" means a Global Positioning System of satellites and receiving devices used to compute vehicle position and time information.

"Highway" has the meaning prescribed under A.R.S. § 28-5601(11), and also includes a:

- Port of entry,
- Weigh station, or
- Public rest area.

"Idle status" means a vehicle that is stationary, its engine continues to operate, and it is located in Arizona, but off-highway.

"Light class motor vehicle" has the same meaning as prescribed under A.R.S. § 28-5601(17).

"Licensee" has the same meaning as prescribed under A.R.S. § 28-5613.

"Mexican Pedimento" means an authorizing permit document issued by Mexico's state-owned, nationalized petroleum company.

"Motor fuel" has the meaning prescribed under A.R.S. § 28-5601(18).

"Motor fuel tax" means any tax on motor fuel imposed under A.R.S. Title 28, Chapter 16, Article 1.

"Notification date" means the date on a notice sent by the Division.

“Off-highway” means any location that is not on a highway in this state.

“Person” has the same meaning prescribed under A.R.S. § 28-5601(21).

“Power-take-off” means the operation of vehicle-mounted, auxiliary equipment that is powered by energy supplied by the same engine that propels the motor vehicle, but does not include equipment related to the operation of a vehicle and powered by the vehicle’s engine, including air conditioning, alternator, automatic transmission, and power steering.

“Tribal agreement” means an agreement between the Division and a Native American tribe for the administration of motor fuel taxes.

“Trip” means travel within or through Arizona’s state borders with a designated beginning and ending location.

“Use class motor vehicle” has the meaning prescribed under A.R.S. § 28-5601(37).

“Use fuel” has the same meaning as prescribed under A.R.S. § 28-5601(38).

“Use fuel tax differential” means the difference between the use fuel tax rate applicable to light class motor vehicles or exempt use class motor vehicles, and the use fuel tax rate applicable to use class motor vehicles.

“Vendor” has the same meaning as prescribed under A.R.S. § 28-5601(40).

“VIN” means Vehicle Identification Number.

B. General Provisions.

1. Scope. For purposes of administering A.R.S. § 28-5612 this Article applies to a person or licensee under A.R.S. §§ 28-5612 and 28-5613.

2. Application.
 - a. A complete application for refund of motor fuel tax shall be submitted to the Division.
 - b. An application for refund for an amount of \$10 or less:
 - i. Shall be accepted only once within a consecutive six-month period, and
 - ii. If the aggregate monthly total of a request for refund is less than \$10 the applicant may combine several month’s totals on one request for refund.
 - c. A Claimant shall submit to the Division a separate application for refund for each calendar month.
 - d. When the Division determines that an application is incomplete under these rules and A.R.S. Title 28, Chapter 16, Article 1, the Division shall suspend processing of the application for refund and
 - i. Notify the Claimant of the deficiencies, and
 - ii. Return the application to the Claimant.
 - e. A Claimant whose application is returned as incomplete under A.R.S. Title 28, Chapter 16, Article 1 and these rules shall have 60 days from the notification date to remedy the deficiencies.
 - f. If the Claimant fails to remedy the deficiencies under subsection (B)(2)(d) within 60 days of the notification date and return a complete application, the Division shall deny the application for refund.
 - g. If the Division denies an application because the Claimant failed to remedy a deficiency, the deadline to submit a new application shall be governed by the time-frames established in subsection (B)(3).
3. Application filing. A complete application for refund shall be submitted to the Division as provided within the following table:

Refund Type	Claimant Status	
	Licensee	Non-Licensee
R17-8-602. Exports	3 years from date of export	3 months from date of export
R17-8-603. Use Fuel Vendor	3 years from date of sale	6 months from date of sale
R17-8-604. Off-Highway	3 years from date of purchase	6 months from date of purchase
R17-8-606. Indian Tribal Government	If no Tribal Agreement with the Division, 6 months from date of purchase	
R17-8-607. Indian Tribal Member		
R17-8-608. Transport of Forest Products; Healthy Forest Initiative	March 1st of the year following calendar year consumed	
R17-8-609. Motor Vehicle Fuel Used in Aircraft	6 months from date of purchase	
R17-8-610. Motor Vehicle Fuel Losses Caused by Fire, Theft, Accident, or Contamination	3 years from date of event	6 months from date of event
R17-8-611. Bulk Purchase of Motor Fuel	3 years	6 months

4. Filing location and timely filing. A Claimant shall submit an application under this Article to the Division as provided under A.R.S. § 1-218, and this subsection:
 - a. Hand delivered, certified or registered mail:
 - i. Arizona Department of Transportation, Motor Vehicle Division
Fuel, Licensing, & Refund Compliance Unit
1801 W. Jefferson St., Rm. 201
Phoenix, AZ 85007;
 - ii. Hand delivered: the Division time and date stamp will be used to determine whether a complete application was received within the required time-frames established under subsection (B)(3).
 - iii. Certified or registered mail: the date of receipt by the designated delivery service shall be used to determine whether an application was received by the Division within the required time-frame established under subsection (B)(3).
 - b. United States Postal Service:
 - i. Arizona Department of Transportation, Motor Vehicle Division

- Fuel, Licensing, & Refund Compliance Unit,
Mail Drop 521M
P.O. Box 2100
Phoenix, AZ 85001
- ii. The postmark date will be used to determine whether an application was received by the Division within the required time-frames established under subsection (3).
5. Supporting documentation.
 - a. The Division shall accept any of the following forms of documentation to support a claim for refund, which may be admissible to the same extent as an original:
 - i. Photocopies,
 - ii. Duplicates, or
 - iii. Document image.
 - b. The Division shall not return documentation submitted to support an application for refund once an application for refund has been accepted as complete.
 - c. If the Division determines that the supporting documentation required under these rules does not provide sufficient evidence of motor fuel tax paid, the Division may require the Claimant to produce additional information.
 - d. Failure to produce additional documentation as requested by the Division, within the time prescribed under R17-8-601(B)(2)(e), shall result in a denial of refund request being issued by the Division.
 6. Record retention and review.
 - a. A licensee shall maintain the records relied upon to support the application for refund as specified under A.R.S. Title 28, Chapter 16, Article 1 and these rules, and produce those records to the Division when requested.
 - b. Unless required by A.R.S. Title 28, Chapter 16 to maintain records relied upon to substantiate an application for refund for a shorter or longer period of time, a licensee shall retain the records required to support an application for refund for three years from the issuance date of refund by the Division.
 - c. The Division reserves the right to review a Claimant's records used to substantiate an application for refund under these rules.
 7. If at any time, the Division discovers an overpayment of motor fuel tax refunded to a Claimant under these rules, the Division shall recover payment under A.R.S. § 28-5612.
 8. Notification; violation; suspension; administrative hearing.
 - a. Denial of request for refund. If the Division denies an applicant's request for refund the Division shall send notification of denial to the Claimant.
 - b. Administrative Hearings. Hearings, rehearings, and appeals shall be noticed and conducted in accordance with A.R.S. § 28-5924 and A.A.C Title 17, Chapter 1, Article 5.
 - c. Suspension due to violation of A.R.S. § 28-5612.
 - i. If the Division finds that a Claimant is in violation of A.R.S. § 28-5612, the Division shall send notification to the Claimant identifying the violation.
 - ii. A Claimant determined by the Division to be in violation of state laws and regulations under A.R.S. § 28-5612 and these rules, may be suspended from filing motor tax fuel refunds for six consecutive months from the notification date of the Division for motor fuel tax paid during the suspension period.
- iii. If a suspension is set aside under A.R.S. § 28-5612, a Claimant may again apply to the Division for refund.
 - iv. The time-frame requirements under subsection (B)(3) shall not toll while pursuit of remedy by the Claimant or the Division under this subsection.

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).

R17-8-602. Exports

- A. To qualify for a refund of Arizona use fuel tax paid on motor fuel exported, a Claimant shall provide the following documents to support a request for refund:
 1. Export to another state within the United States:
 - a. Terminal, carrier, or bulk plant bill of lading showing the point of origin and destination of the motor fuel;
 - b. Invoice or monthly supplier report schedule indicating that the Arizona tax was paid;
 - c. Motor fuel invoice or shipping document reflecting final destination and gallons exported;
 - d. Tax report establishing that the destination state's tax was reported;
 - e. Name and license number issued by the destination state of the licensee responsible for payment of motor fuel tax and tax reporting to the destination state; and
 - f. If the export of motor fuel is a diversion, the Claimant shall provide the following documents to the Division:
 - i. A carrier bill of lading; and
 - ii. Other documentation which supports the delivery of motor fuel to a specific location, other than its intended destination, and
 2. Exports to Mexico:
 - a. Documentation under (A)(1),
 - b. Documentation that Petróleos Mexicanos authorized the motor fuel import,
 - c. U.S. Department of Commerce export documentation, and
 - d. Copy of Mexican Pedimento.
 3. Exports to Navajo Nation:
 - a. Documentation under (A)(1),
 - b. Name and license number of the Navajo Nation distributor,
 - c. Copy of Navajo Nation manifest or copy of the Navajo Nation monthly motor fuel distribution tax return, and
 - d. Invoice showing the Navajo Nation tax was included in total amount due.
- B. The description of the motor fuel exported shall be identical on all documentation submitted in support of a request for refund of motor fuel tax paid on export.

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).

R17-8-603. Use Fuel Vendors

- A. To qualify for a refund of the use fuel tax differential, a use fuel vendor shall submit to the Division:

1. A complete application;
 2. Supplier or distributor invoice, documenting the use fuel taxes that the vendor paid for the fuel; and
 3. Supporting documentation:
 - a. For sales of use fuel dispensed from a pump which is labeled for use class and light class vehicles, a fuel log of use fuel tax differential sales, submitted on a format approved by the Division that includes the following vendor information:
 - i. Vendor name;
 - ii. Vendor address;
 - iii. Retail branch location;
 - iv. Division issued vendor license number;
 - v. Date of sale to consumer;
 - vi. License plate number and name of jurisdiction that issued the license plate of the motor vehicle into which the fuel was dispensed;
 - vii. Number of gallons of use fuel that were purchased and dispensed into the fuel tank of a qualifying vehicle under subsection (D)(2);
 - viii. Amount of fuel tax refunded to purchaser; and
 - ix. Purchaser's signature indicating receipt of the refund made by a vendor of use fuel, submitted on a vendor use fuel refund log, provided by the Division.
 - b. For sales of use fuel dispensed from a pump that is labeled for light class or exempt use class only, items under subsection (A)(1) and (2).
- B.** The Division shall not accept an application for a period that a vendor of use fuel was not licensed under A.R.S. § 28-5605, except as provided under this subsection.
1. An application for a period that a vendor was not licensed under A.R.S. § 28-5605 will be accepted by the Division if the Claimant submits an application to the Division for a vendor license at the time initial application for refund is submitted.
 2. The unlicensed use fuel vendor shall demonstrate compliance with A.R.S. § 28-5605(B), at the time of the applicable use fuel sale to the satisfaction of the Division by the following means:
 - a. Photographs,
 - b. Diagrams,
 - c. Statements, and
 - d. Any other documentation approved by the Division which demonstrates compliance.
- C.** A licensed use fuel vendor shall maintain the following records under R17-8-601(B)(6):
1. Records of daily sales to light class or exempt use class motor vehicles which provides details for each use fuel sale to include the following:
 - a. Gallonage,
 - b. Transaction date,
 - c. Price per gallon, and
 - d. Product description.
 2. Acquisition invoices of use fuel,
 3. Inventory records of use fuel, and
 4. Vendor use fuel refund log under subsection (A)(3)(a).
- D.** Card lock use fuel facility.
1. Applicability. For purposes of receiving a refund from the Division for use fuel sold to a light class or exempt use class vehicle at a card lock use fuel facility, the vendor shall:
 - a. Submit documentation to the Division under subsection (A)(3), except subsection (A)(3)(a)(ix);
 - b. Have controlled access to the card lock use fuel facility in compliance with A.R.S. § 28-5605;
 - c. Restrict use of a card lock use fuel facility to those approved purchasers that have completed a Declaration of Status; and
 - d. Shall maintain records under subsection (C).
 2. Declaration of Status.
 - a. A vendor shall require that a purchaser of use fuel for use in light class or exempt use class vehicles complete and submit to the vendor a Declaration of Status for each vehicle that will have the ability to obtain fuel at a card lock use fuel facility labeled for light class or exempt use class vehicles.
 - b. A Declaration of Status must be completed for each additional vehicle prior to purchase of motor fuel at a card lock use fuel facility.
 - c. A Declaration of Status shall be made on a form provided by the Division and may be obtained at www.azdot.gov.
 - d. The original signature of the purchaser shall be included on the Declaration of Status.
 - e. A vendor who operates a card lock use fuel facility must retain all original Declarations of Status received from a purchaser in the vendor's files under R17-8-601(B)(6), and shall make the Declarations of Status available for review by the Division.
 3. Labeling. A card lock vendor shall comply with state law by placing a label with verbiage and specifications as required under A.R.S. § 28-5605.
 - a. Card lock use fuel facilities shall post a use fuel tax rate label provided by Division.
 - b. Vendors found in violation of labeling regulations shall be subject to penalties under A.R.S. § 28-5605.

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).

R17-8-604. Off-Highway

- A.** The Division shall refund the Arizona motor fuel tax paid on the motor fuel consumed in Arizona while the vehicle is off-highway.
- B.** An application for refund shall include the following supporting documentation:
1. System or manual motor fuel log summary by VIN which includes the following:
 - a. Items under subsection (C)(1)(a), and
 - b. Mileage consumed off-highway.
 2. Equipment and vehicle listing which includes year, make, model, gallon capacity, and
 3. Proof of fuel purchase which may include:
 - a. Motor fuel invoices,
 - b. Motor fuel purchase receipts,
 - c. Computerized fuel purchase statement, and
 - d. International Fuel Tax Agreement reports.
- C.** A Claimant shall provide the following documentation to the Division for the identified refund types:
1. Refrigeration unit:
 - a. Fuel log summary consisting of, at a minimum, the following information:
 - i. Fuel type,
 - ii. Date fuel dispensed,
 - iii. Number of gallons dispensed, and
 - iv. Identification number of equipment or vehicle into which the fuel was dispensed.
 - b. Equipment or vehicle identification number.
 2. Power take-off: A motor fuel consumption study under this Section shall be conducted at the Claimant's expense, and shall be approved by the Division prior to the initial

application for refund, and shall include the following information:

- a. A description of the methodology used to determine the percentage of exempt motor fuel consumed by the power-take-off;
 - b. A list of all equipment using motor fuel;
 - c. All operations where motor fuel is consumed;
 - d. Testing and study components shall be a true representation of the operation of business as follows:
 - i. Vehicles shall be grouped into similar categories based on similar power-take-off units and similar gross vehicle weight.
 - ii. Vehicles selected shall be representative of the category as to age, make, model, and engine size.
 - iii. Each vehicle category shall be tested individually to determine the amount of motor fuel consumed by the power-take-off unit.
 - iv. If a vehicle category contains:
 - (1) Less than four vehicles, all vehicles must be included in the test study.
 - (2) Thirty or fewer vehicles, then at least three vehicles must be included in the test sample.
 - (3) More than 30 and fewer than 151 vehicles, then at least 10 percent of the vehicles must be included in the test sample.
 - (4) More than 151 vehicles, then at least 15 vehicles must be included in the test sample.
 - e. Explanation of the measuring method used to determine fuel consumption by vehicles, equipment, and machinery, which shall include manufacturer specifications;
 - f. Results of a period of a study which shall include a period covering cyclical or seasonal impacts which includes low and high points of fuel usage for exempt or non-exempt purposes;
 - g. Results from a test or study shall be a duration of at least two weeks; and
 - h. The approved power-take-off percentage may then be used for three years or shall be updated as requested by the Division.
3. Idle time under R17-8-605.

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).

R17-8-605. Idle Time

- A.** Under the provisions of this Article, the Division shall refund the Arizona motor fuel tax imposed on the motor fuel consumed by a Claimant's vehicle while in idle status.
- B.** In addition to the application under R17-8-601, a Claimant shall provide the following documentation to the Division to verify the quantity of motor fuel consumed by a vehicle while in idle status:
 1. Documentation that proves the total quantity of motor fuel purchased by the Claimant in Arizona during refund period;
 - a. An invoice that contains the following information:
 - i. Date of purchase,
 - ii. Seller's name,
 - iii. Physical address where motor fuel was purchased,
 - iv. Number of gallons of motor fuel purchased,
 - v. Type of motor fuel purchased,
 - vi. Price per gallon of motor fuel.
 - b. A fuel log shall be maintained that contains the following information:
 - i. The date that the motor fuel was placed in the fuel tank of a motor vehicle;
 - ii. The vehicle make, model, year, and VIN in which the motor fuel was placed; and
 - iii. The number of gallons of motor fuel placed in a fuel tank.
 2. Documentation that proves that the Claimant's vehicle was located in Arizona, off-highway, at the time it was in idle status, and the length of time the vehicle was in idle status, using one or more of the following methods:
 - a. Nonscheduled route:
 - i. A logbook, approved by the Division, maintained for each vehicle that identifies the date and time when the idle status started, the date and time when the idle status ended, and a physical description of the location of the vehicle during the idle status that establishes that the vehicle was in Arizona, but located off-highway.
 - ii. The driver shall make an affirmative statement in the driver's daily log that the engine was operating during the idle status and shall prepare the logbook entries simultaneously with the idle status.
 - iii. The Claimant shall retain trip schedules or bills of lading to support the logbook entries.
 - b. Scheduled route:
 - i. Published schedule which includes arrival at and departure from fixed locations at prescribed times, or
 - ii. A record of average wait times recorded in a daily log consisting of arrival at and departure from fixed locations at prescribed times, approved by the Division.
 - iii. The Claimant shall document that the engine remained running during the scheduled stops.
 3. Documentation that proves the quantity of motor fuel consumed by the Claimant's vehicle while in idle status;
 - a. The Claimant shall document the number of the gallons of motor fuel consumed per hour to maintain idle status by one or more of the following methods:
 - i. Engine manufacturer's standard specifications that establish the quantity of motor fuel consumed per hour while the vehicle is in idle status.
 - ii. Computerized system that computes the quantity of motor fuel consumed per hour while in idle status.
 - iii. A study or test that determines motor fuel consumption per hour while in idle status, prior to the period covered by the refund claim.

- b. A study under this Section shall meet the following specifications:
- i. The study shall be conducted at the Claimant's expense,
 - ii. The methodology shall be approved by the Division prior to conducting the study under subsection (C),
 - iii. The fuel consumption characteristics of the vehicles and their operation during the period of the refund shall not vary significantly from the conditions that existed during the study, and
 - iv. The results of the study shall be approved by the Division prior to the time period covered under the refund claim.
- C. The Division shall review and approve the method used and the data captured by a GPS or manual report prior to the initial claim for refund and the report shall include the following components:
1. A description of the methodology used to determine the percentage of exempt use fuel consumption;
 2. A list of all equipment consuming use fuel;
 3. A description of all of the vehicle operations where use fuel is consumed;
 4. Whether vehicles are traveling scheduled routes, and whether seasonal or cyclical events affect use fuel;
 5. Testing and study components shall be a true representation of operation of business as follows:
 - a. Vehicles shall be grouped into similar categories based on similar units and similar gross vehicle weight.
 - b. Each vehicle category must be tested individually to determine the idle time fuel consumption.
 - c. Vehicles selected for testing shall be representative of the category as to age, make, model, and engine size.
 6. Study components under R17-8-604(C)(2)(d)(iv);
 7. Explanation of the measuring method used to determine fuel consumption by vehicles, equipment, and machinery, which shall include manufacturer specifications;
 8. Study results under this subsection shall include a period covering cyclical or seasonal impacts which includes low and high points of fuel usage for exempt or non-exempt purposes;
 9. Results from a test or study shall be of duration of at least two weeks;
 10. The approved idle time study may then be used for three years or shall be updated as requested by the Division.
- D. A Claimant shall submit technical documentation that details the operating system of any system or manual study used including, but not limited to, the following:
1. Identification of the computer system, including the name of the manufacturer, name of the software, and software version number;
 2. Identification of vehicle engines on which the software will be used by the Claimant, including makes, models, years, and fuel types;
 3. Description of the methodology used by computer system to determine idle status;
 4. Description of the methodology used to determine fuel consumption while in idle status;
 5. Description of the methodology used to determine the location of the vehicle during idle status; and
6. Operating policies and procedures for the systems that are used in the Claimant's business operations.
- E. The Claimant shall provide additional supporting documentation if there is any update to the system study for which documentation was initially submitted and approved.
1. A Claimant shall submit to the Division an updated study under this Section three years from the date of Division approval or at the Division's request.
 2. A study under this Section shall be conducted at the Claimant's expense.
 3. The methodology used in support of a study under these rules shall be approved by the Division prior to conducting the study under subsection (C).
 4. If the Division rejects the results of a study, a Claimant may request a hearing under A.R.S. § 28-5924.

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).

R17-8-606. Tribal Government

- A. The Division shall refund the Arizona motor fuel tax imposed on the motor fuel consumed by a vehicle owned or leased to a tribal government under this Article.
- B. An application for refund shall include all of the following supporting documentation for each vehicle:
1. Detailed fuel receipt statement which includes the following purchase information:
 - a. Date of fuel purchase,
 - b. Gallonage,
 - c. Location,
 - d. Fuel type, and
 - e. Purchaser's name and address.
 2. Fuel purchase summary by vehicle which includes documentation under (B)(1); or
 3. Bulk motor fuel purchase invoice; which includes:
 - a. Gallonage,
 - b. Delivery location,
 - c. Fuel type, and
 - d. Tax rate paid.
 4. If vehicle is leased, a copy of the lease agreement.
- C. A vehicle and equipment listing shall be maintained by the tribal government to include year, make, model, gallon capacity, and VIN.

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).

R17-8-607. Tribal Member

- A. Enrolled members of a tribe may make application to the Division for a refund of the Arizona motor fuel taxes on fuel purchased on the reservation of the tribe in which the member is enrolled, provided the motor fuel was not used off the reservation for a commercial purpose.
- B. An application for refund shall include the following supporting documentation:
1. Copy of the vehicle registration,
 2. Copy of the Tribal member identification card,
 3. Receipt of motor fuel purchased on the reservation, and
 4. Signed statement certifying motor fuel was used for non-commercial purposes under A.R.S. § 28-5610(A).

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).

R17-8-608. Transport of Forest Products; Healthy Forest Initiative

- A. A claim for refund, pursuant to A.R.S. § 28-5614(B), of the tax on motor fuel used to transport forest products on Arizona highways shall comply with the requirements of R17-8-601.
- B. An application shall include the following supporting documentation obtained from the Arizona Department of Commerce:
 1. A completed Healthy Forest Enterprise Use Fuel Vehicle Schedule,
 2. Certification issued by the Arizona Department of Commerce pursuant to A.R.S. § 41-1516 for the same period of time as the refund claim,
 3. Memorandum of Understanding between the Arizona Department of Commerce and the Claimant pursuant to A.R.S. § 41-1516,
 4. Individual Vehicle Mileage and Fuel Report Summaries for each vehicle, and
 5. Changes to the Arizona Department of Commerce Certification.

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).

R17-8-609. Motor Vehicle Fuel Used in Aircraft

- A. A claim for the refund of the tax, pursuant to A.R.S. § 28-5611(A)(2) or non-agricultural purposes under A.R.S. § 28-5611(B), on motor vehicle fuel used to power aircraft shall comply with the requirements of R17-8-601 and subsections (B) and (C) of this Section.
- B. An application shall include the following supporting documentation:
 1. Motor fuel log summary by aircraft which includes:
 - a. Purchase date,
 - b. Name and location of vendor of fuel to show that Arizona motor fuel tax was included in the purchase price,
 - c. Gallons dispensed,
 - d. Fuel type, and
 - e. Manner consumed.
 2. List of aircraft to include, year, make model, and N-number assigned by the Federal Aviation Administration, and
 3. Purchase invoice indicating items under (B)(1) and amount of tax paid amount.
- C. Motor vehicle fuel used to power aircraft for agricultural purposes shall, in addition to subsection (B), include a flight log detailing the purpose of use.

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).

R17-8-610. Motor Fuel Losses Caused by Fire, Theft, Accident, or Contamination

- A. A Claimant may apply to the Division for a refund of the tax on motor fuel lost due to fire, theft, accident, or contamination.

- B. A request for refund pursuant to A.R.S. §§ 28-5610 or 28-5611 of the tax on motor fuel that is lost due to fire, theft, accident, or contamination shall comply with the requirements of R17-8-601.
- C. An application shall include the following supporting documentation:
 1. Signed statements from persons with personal knowledge regarding the facts and circumstances of the loss, including:
 - a. Date of loss or contamination,
 - b. Location where the loss or contamination occurred,
 - c. Detailed explanation regarding the nature of the loss or contamination,
 - d. Name and contact information of persons who witnessed loss or contamination,
 - e. Quantity of fuel lost or contaminated, and
 - f. Disposition of the contaminated motor fuel.
 2. Copies of records that substantiate the date of acquisition and quantity acquired of the fuel lost as well as the fact the Arizona motor fuel tax was paid by the Claimant when the fuel was acquired.

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).

R17-8-611. Bulk Purchase of Motor Fuel

- A. A request for refund of taxes paid on the bulk purchase of motor fuel dispensed into a light class, or exempt use class vehicle, shall be submitted to the Division under R17-8-601(B), on an application provided by the Division.
- B. Bulk motor fuel shall be purchased and consumed in Arizona to qualify for refund.
- C. An application for refund shall include the following supporting documentation:
 1. Invoice that contains the following information:
 - a. Name and address of vendor,
 - b. Tax rate,
 - c. Product type,
 - d. Delivery date,
 - e. Quantity of fuel,
 - f. Invoiced amount, and
 - g. A statement from the seller of the motor fuel that the motor fuel is non-dyed use fuel.
 2. Fuel usage log which includes the following information:
 - a. Date fuel dispensed,
 - b. VIN of vehicle into which fuel was dispensed,
 - c. Gallons dispensed, and
 - d. Fuel type.
 3. Annual vehicle listing to include make, model, year, and VIN.

Historical Note

New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1).