CHAPTER 8. DEPARTMENT OF TRANSPORTATION - FUEL TAXES

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The release of this Chapter in Supp. 19-4 replaces Supp. 18-4, 1-10 pages
Please note that the Chapter you are about to replace may have rules still in effect after the publication date of this supplement. Therefore, all superseded material should be retained in a separate binder and archived for future reference.
PREFACE

Under Arizona law, the Department of State, Office of the Secretary of State (Office), accepts state agency rule filings and is the publisher of Arizona rules. The Office of the Secretary of State does not interpret or enforce rules in the Administrative Code. Questions about rules should be directed to the state agency responsible for the promulgation of the rule.

Scott Cancelosi, Director
ADMINISTRATIVE RULES DIVISION

RULES
The definition for a rule is provided for under A.R.S. § 41-1001. "Rule’ means an agency statement of general applicability that implements, interprets, or prescribes law or policy, or describes the procedures or practice requirements of an agency.”

THE ADMINISTRATIVE CODE
The Arizona Administrative Code is where the official rules of the state of Arizona are published. The Code is the official codification of rules that govern state agencies, boards, and commissions.

The Code is separated by subject into titles. Titles are divided into chapters. A chapter includes state agency rules. Rules in chapters are divided into Articles, then Sections. The “R” stands for “rule” with a sequential numbering and lettering outline separated into subsections.

Rules are codified quarterly in the Code. Supplement release dates are printed on the footers of each chapter.
First Quarter: January 1 - March 31
Second Quarter: April 1 - June 30
Third Quarter: July 1 - September 30
Fourth Quarter: October 1 - December 31
For example, the first supplement for the first quarter of 2019 is cited as Supp. 19-1.

Please note: The Office publishes by chapter, not by individual rule section. Therefore there might be only a few sections codified in each chapter released in a supplement. Historical notes at the end of a section provide an effective date and information when a rule was last updated.

AUTHENTICATION OF PDF CODE CHAPTERS
The Office began to authenticate chapters of the Administrative Code in Supp. 18-1 to comply with A.R.S. § 41-1012(B) and A.R.S. § 5302(1), (2)(d) through (e), and (3)(d) through (e).

A certification verifies the authenticity of each Code chapter posted as it is released by the Office of the Secretary of State. The authenticated pdf of the Code includes an integrity mark with a certificate ID. Users should check the validity of the signature, especially if the pdf has been downloaded. If the digital signature is invalid it means the document’s content has been compromised.

HOW TO USE THE CODE
Rules may be in effect before a supplement is released by the Office. Therefore, the user should refer to issues of the Arizona Administrative Register for recent updates to rule Sections.

ARIZONA REVISED STATUTE REFERENCES
The Arizona Revised Statutes (A.R.S.) are available online at the Legislature’s website, www.azleg.gov. An agency’s authority note to make rules is often included at the beginning of a chapter. Other Arizona statutes may be referenced in rule under the A.R.S. acronym.

SESSION LAW REFERENCES
Arizona Session Law references in a chapter can be found at the Secretary of State’s website, under Services-> Legislative Filings.

EXEMPTIONS FROM THE APA
It is not uncommon for an agency to be exempt from the steps outlined in the rulemaking process as specified in the Arizona Administrative Procedures Act, also known as the APA (Arizona Revised Statutes, Title 41, Chapter 6, Articles 1 through 10). Other agencies may be given an exemption to certain provisions of the Act.

An agency’s exemption is written in law by the Arizona State Legislature or under a referendum or initiative passed into law by Arizona voters.

When an agency files an exempt rulemaking package with our Office it specifies the law exemption in what is called the preamble of rulemaking. The preamble is published in the Register online at www.azsos.gov/rules, click on the Administrative Register link.

Editor’s notes at the beginning of a chapter provide information about rulemaking sections made by exempt rulemaking. Exempt rulemaking notes are also included in the historical note at the end of a rulemaking Section.

The Office makes a distinction to certain exemptions because some rules are made without receiving input from stakeholders or the public. Other exemptions may require an agency to propose exempt rules at a public hearing.

EXEMPTIONS AND PAPER COLOR
At one time the office published exempt rules on either blue or green paper. Blue meant the authority of the exemption was given by the Legislature; green meant the authority was determined by a court order. In 2001 the Office discontinued publishing rules using these paper colors.

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Rhonda Paschal, managing rules editor, assisted with the editing of this chapter.
TITLE 17. TRANSPORTATION

CHAPTER 8. DEPARTMENT OF TRANSPORTATION - FUEL TAXES

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ARTICLE 4. ELECTRONIC FUNDS TRANSFERS

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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:

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

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

“Authorized representative” means the owner, officer, or managing person of the licensee.

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

“Cash Concentration or Disbursement Plus,” or “CCD+,” 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 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.

“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.

“Nacha” is a not-for-profit association that oversees the ACH 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.

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.

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. ADOT account number;
   5. Payment type;
   6. Either ACH credit or ACH debit payment method;
   7. Name, title, email address, and phone number of contact person;
   8. Signature of the authorized representative of the licensee; and
   9. Any other information required by the Director.

R17-8-404. Procedures for Payment
A. All electronic funds transfers shall be in compliance with the Nacha Operating Rules and Guidelines.

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+ 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. ADOT account number,
   2. Payment amount, and
   3. Any other information required by the Director.

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.
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” has the same meaning as defined in R17-8-401.

“Electronic fuel tax report” has the same meaning as defined in R17-8-401.

“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 defined in R17-8-401.

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

“Licensee” has the same meaning as defined in R17-8-401.

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

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.

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.

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.

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.
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 Department.

“Cardlock use fuel facility” has the same meaning as a cardlock facility as defined in A.R.S. § 28-5605.

“Claimant” means the taxpayer or a person who has the authority to file an application on behalf of the taxpayer, as authorized by a notarized power of attorney, also referred to as applicant.

“Complete application” means an application that includes all supporting documentation and schedules for the period of the refund claim, claimant signature, and provides all information required on the application.

“Contaminated Fuel” means motor fuel, which is accidentally tainted, and which is unsalable for highway use.

“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 395.8.

“Declaration of Status” means a statement on a form provided by the Department.

“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 the Global Positioning System, a navigation system of satellites and receiving devices used to compute vehicle position and time information.

“Highway” has the same meaning as defined in A.R.S. § 28-5601, and also includes a:

- Port of entry,
- Weigh station,
- 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.

“Licensee” has the same meaning as defined in A.R.S. § 28-5613.

“Light class motor vehicle” has the same meaning as defined in A.R.S. § 28-5601.

“Mexican Pedimento” means an authorizing permit document issued by Mexico.

“Motor fuel” has the same meaning as defined in A.R.S. § 28-5601.

“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 Department.

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

“Person” has the same meaning as defined in A.R.S. § 28-5601.

“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 Department 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 same meaning as defined in A.R.S. § 28-5601.

“Use fuel” has the same meaning as defined in A.R.S. § 28-5601.

“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 defined in A.R.S. § 28-5601.

“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 Department.

i. A claimant may combine several months’ totals and submit to the Department one application for refund.

ii. A complete application shall be for the whole calendar month and not for a partial month.

iii. Supplemental applications for refunds covering the same period already paid are not permitted.

b. An application for refund for an amount of $10 or less shall be accepted only once within a consecutive six-month period.

c. When the Department determines that an application is incomplete under these rules and A.R.S. Title 28, Chapter 16, Article 1, the Department shall suspend processing of the application for refund and,

i. Notify the claimant of the deficiencies, and

ii. Return the application to the claimant.

d. 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.

c. If the claimant fails to remedy the deficiencies under subsection (B)(2)(c) within 60 days of the notification date and return a complete application, the Department shall deny the application for refund.

d. Failure to produce additional documentation as requested by the Department, within the time prescribed under subsection (B)(2)(d), shall result in a denial of refund request being issued by the Department.

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. § 1-218, and this subsection:

   i. Arizona Department of Transportation, Financial Management Services, Fuel Tax Refund Compliance Unit, 1801 W. Jefferson St., Rm. 201, Phoenix, AZ 85007.

   ii. Hand delivered: the Department time and date stamp will be used to determine whether an application was received by the Department within the required time-frames established under subsection (B)(3).

   iii. Other delivery service: the date of receipt by the designated delivery service shall be used to determine whether an application was received by the Department within the required time-frame established under subsection (B)(3).

b. United States Postal Service, including certified or registered mail:

   i. Arizona Department of Transportation, Financial Management Services, Fuel Tax Refund Compliance Unit, P.O. Box 2100, Mail Drop 521M, Phoenix, AZ 85001.

   ii. Regular mail: the postmark date 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 Department within the required time-frame established under subsection (B)(3).

   iv. Electronic copy, as indicated on the Department’s website at www.azdot.gov.

5. Supporting documentation.

a. The Department 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 (reprints);
   iii. Document image; or
   iv. Electronic copy, as indicated on the Department’s website at www.azdot.gov.

b. The Department shall not return documentation submitted to support an application for refund once an application for refund has been accepted as complete.
Table 1.

<table>
<thead>
<tr>
<th>Refund Type</th>
<th>Claimant Status</th>
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<tr>
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<td>Licensee 3 years from date of export</td>
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<td>R17-8-603. Use Fuel Vendors</td>
<td>Licensee 3 years from date of sale</td>
</tr>
<tr>
<td>R17-8-604. Off-Highway</td>
<td>Licensee 3 years from date of purchase</td>
</tr>
<tr>
<td>R17-8-606. Tribal Government</td>
<td>If no Tribal Agreement with the Department, 6 months from date of purchase</td>
</tr>
<tr>
<td>R17-8-607. Tribal Member</td>
<td></td>
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<td>R17-8-608. Transport of Forest Products; Healthy Forest Initiative</td>
<td>March 1st of the year following calendar year consumed</td>
</tr>
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<td>R17-8-609. Motor Fuel Used in Aircraft</td>
<td></td>
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<tr>
<td>R17-8-610. Motor Fuel Losses Caused by Fire, Theft, Accident, or Contamination</td>
<td>Licensee 3 years from date of event</td>
</tr>
<tr>
<td>R17-8-611. Bulk Purchase of Use Fuel</td>
<td>Licensee 3 years</td>
</tr>
</tbody>
</table>

Historical Note
Table 1 made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1). Table 1 amended by final expedited rulemaking at 24 A.A.R. 3501, effective December 4, 2018 (Supp. 18-4).

R17-8-602. Exports
A. To qualify under this Article for a refund of Arizona fuel tax paid on motor fuel exported, a claimant shall provide the following documents to support a complete application for refund:
   1. Export to another state within the United States:
      a. Terminal, carrier, or bulk plant bill of lading or delivery ticket 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 Department:
         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.
   2. Exports to Mexico:
      a. Documentation under subsection (A)(1);
      b. U.S. Department of Commerce export documentation;
      c. Copy of Mexican Pemiente indicating authorization for import and verification of the motor fuel import.
   3. Exports to Navajo Nation:
      a. Documentation under subsection (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 distributor 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). Amended by final expedited rulemaking at 24 A.A.R. 3501, effective December 4, 2018 (Supp. 18-4).

R17-8-603. Use Fuel Vendors
A. To qualify for refund of the use fuel tax differential, a use fuel vendor shall submit to the Department:
   1. A complete application as prescribed under R17-8-601;
   2. Supplier or restricted 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 into a light class or exempt use class vehicle, a fuel log of use fuel tax differential sales, submitted on a format approved by the Department that includes the following vendor information:
         i. Vendor name;
         ii. Department-issued retail branch number;
         iii. Retail branch physical address;
         iv. Department-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 fuel that were purchased and dispensed into the fuel tank of a qualifying vehicle;
         viii. Amount of fuel tax refunded to purchaser; and
      b. If the export of motor fuel is a diversion, the claimant shall provide the following documents to the Department:
         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.

B. 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 provide details for each use fuel sale to include the following:
   a. Gallonage,
   b. Transaction date,
   c. Price per gallon, and
   d. Product description;
2. Purchase invoices of use fuel;
3. Inventory records of use fuel; and

C. Cardlock use fuel facility.

1. Applicability. For purposes of receiving a refund from the Department for use fuel sold to a light class or exempt use class vehicle at a cardlock use fuel facility, the vendor shall:
   a. Submit documentation under subsection (A)(3), except subsection (A)(3)(a)(ix), to the Department;
   b. Have controlled access to the cardlock use fuel facility in compliance with A.R.S. § 28-5605;
   c. Restrict use of a cardlock use fuel facility to those approved purchasers that have completed a Declaration of Status; and
   d. Shall maintain records under subsection (B).
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 Department a Declaration of Status for each vehicle that will have the ability to obtain fuel at a cardlock use fuel facility.
   b. A Declaration of Status must be completed for each additional vehicle prior to delivery of motor fuel by a mobile fueling vendor.
   c. A Declaration of Status shall be made on a form provided by the Department 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 mobile fueling operation shall be subject to penalties under A.R.S. § 28-5605.
3. Labeling. A mobile fueling vendor shall comply with state law by placing a label with verbiage and specifications as required under A.R.S. § 28-5605.
   a. Mobile fueling vendors shall post on their fueling dispenser a use fuel tax rate label provided by the Department.
   b. Vendors found in violation of labeling regulations shall be subject to penalties under A.R.S. § 28-5605.

D. Mobile fueling vendor.

1. Applicability. For purposes of receiving a refund from the Department for use fuel sold and delivered directly from a mobile fueling vendor.
   a. Submit documentation under subsection (A)(3), except subsection (A)(3)(a)(ix), to the Department; and
   b. Shall maintain records under subsection (B).
2. Declaration of Status.
   a. A vendor shall require that a purchaser of dispersed use fuel complete and submit to the vendor a Declaration of Status for each light class or exempt use class vehicle that will have the ability to obtain fuel with a mobile fueling vendor.
   b. A Declaration of Status must be completed for each additional vehicle prior to delivery of motor fuel by a mobile fueling vendor.
   c. A Declaration of Status shall be made on a form provided by the Department 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 mobile fueling operation shall be subject to penalties under A.R.S. § 28-5605.

R17-8-604. Off-Highway
A. The Department shall refund under this Article the Arizona motor fuel tax paid on the motor fuel consumed in Arizona while the vehicle is off-highway.
B. A complete application for refund, as prescribed under R17-8-601, 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 when applicable;
   2. Equipment and vehicle listing which includes year, make, equipment type, VIN or equipment serial number, and gross vehicle weight;
   3. Proof of fuel purchase which may include:
      a. Motor fuel invoices,
      b. Motor fuel purchase receipts, and
      c. Computerized fuel purchase statement.
C. A claimant shall provide the following documentation to the Department 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 listing which includes year, make, equipment type, VIN or equipment serial number, and gross vehicle weight.
   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 Department 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;
A complete application for refund, as prescribed under R17-8:

Under the provisions of this Article, the Department shall

A. Idle Time

Historical Note
New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1). Amended by final expedited rulemaking at 24 A.A.R. 3501, effective December 4, 2018 (Supp. 18-4).

R17-8-605. Idle Time
A. Under the provisions of this Article, the Department shall refund the Arizona motor fuel tax imposed on the motor fuel consumed by a claimant’s vehicle while in idle status.

B. A complete application for refund, as prescribed under R17-8-601, shall include the following documentation 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, and
      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 identification number of the equipment or vehicle in which the motor fuel was placed, and
      iii. The number of gallons of motor fuel placed in the fuel tank.
   c. In lieu of subsections (B)(1)(a) and (b), a licensee may submit a summary of the fuel purchases made by the claimant for the vehicle during the refund period. The summary shall contain the same information required to be on a fuel invoice under subsection (B)(1)(a).

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 Department, 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.
   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 Department; and
      iii. The claimant shall document that the engine remained running during the scheduled stops.

3. Global Positioning System:
   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.
   b. A study or test that determines motor fuel consumption per hour while in idle status, prior to the period covered by the refund claim.
   c. A study under this Section shall meet the following specifications:
      i. The study shall be conducted at the claimant’s expense,
CHAPTER 8. DEPARTMENT OF TRANSPORTATION - FUEL TAXES

C. The Department 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:

   i. The methodology shall be approved by the Department prior to conducting the study under subsection (C).
   ii. 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
   iii. The results of the study shall be approved by the Department prior to the time period covered under the refund claim.

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:

   i. Identification of the computer system, including the name of the manufacturer, name of the software, and software version number;
   ii. Identification of vehicle engines on which the software will be used by the claimant, including makes, models, years, and fuel types;
   iii. Description of the methodology used by the computer system to determine idle status;
   iv. Description of the methodology used to determine fuel consumption while in idle status;
   v. Description of the methodology used to determine the location of the vehicle during idle status; and
   vi. 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.

   i. A claimant shall submit to the Department an updated study under this Section three years from the date of Department approval or at the Department's request.
   ii. A study under this Section shall be conducted at the claimant's expense.
   iii. The methodology used in support of a study under these rules shall be approved by the Department prior to conducting the study under subsection (C).
   iv. If the Department 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). Amended by final expedited rulemaking at 24 A.A.R. 3501, effective December 4, 2018 (Supp. 18-4).

R17-8-606. Tribal Government

A. The Department 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. A complete application for refund, as prescribed under R17-8-601, shall include all of the following supporting documentation for each vehicle:

   i. Detailed fuel receipt statement which includes the following purchase information:
      a. Date of fuel purchase,
      b. Gallonage,
      c. Location,
      d. Fuel type, and
      e. Seller's name and address;
   ii. Fuel purchase summary by vehicle which includes documentation under subsection (B)(1);
   iii. Bulk motor fuel purchase invoice which includes:
      a. Gallonage,
      b. Delivery location,
      c. Fuel type, and
      d. Tax rate paid; and
   iv. Results from a test or study shall be of duration of at least two weeks; and
   v. The approved idle time study may then be used for three years or shall be updated as requested by the Department.

C. A vehicle and equipment listing shall be maintained by the tribal government to include year, make, equipment type, VIN or equipment serial number, and gross vehicle weight.

Historical Note
New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1). Amended by final expedited rulemaking at 24 A.A.R. 3501, effective December 4, 2018 (Supp. 18-4).

R17-8-607. Tribal Member

A. Enrolled members of a tribe may make application to the Department, as prescribed under R17-8-601, 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. A complete application for refund, as prescribed under R17-8-601, shall include the following supporting documentation:

   i. Copy of the vehicle registration,
   ii. Copy of the Tribal member identification card,
   iii. Receipt of motor fuel purchased on the reservation, and
   iv. 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). Amended by final expedited rulemaking at 24 A.A.R. 3501, effective December 4, 2018 (Supp. 18-4).
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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. A complete application for refund, as prescribed under R17-8-601, shall include the following supporting documentation:
   1. An equipment and vehicle listing which includes year, make, equipment type, VIN or equipment serial number, and gross vehicle weight;
   2. Certification letter issued by the Arizona Commerce Authority pursuant to A.R.S. § 41-1516 for the same period of time as the refund claim;
   3. Memorandum of Understanding between the Arizona Commerce Authority and the claimant pursuant to A.R.S. § 41-1516;
   4. Individual Project Mileage and Fuel Reports for each project;
   5. Purchase invoices of use fuel; and
   6. Changes to the Arizona Commerce Authority Certification when applicable.

Historical Note
New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1). Amended by final expedited rulemaking at 24 A.A.R. 3501, effective December 4, 2018 (Supp. 18-4).

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

A. A claim for refund, 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. A complete application for refund, as prescribed under R17-8-601, 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 subsection (B)(1) and amount of tax paid.

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). Amended by final expedited rulemaking at 24 A.A.R. 3501, effective December 4, 2018 (Supp. 18-4).

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

A. A claimant may apply to the Department 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. A complete application for refund, as prescribed under R17-8-601, 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 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). Amended by final expedited rulemaking at 24 A.A.R. 3501, effective December 4, 2018 (Supp. 18-4).

R17-8-611. Bulk Purchase of Use Fuel

A. A request for refund of taxes paid on the bulk purchase of use fuel dispensed into a light class, or exempt use class vehicle, shall be submitted to the Department, as prescribed under R17-8-601(B), on an application provided by the Department.

B. Bulk use fuel shall be purchased and consumed in Arizona to qualify for refund.

C. A complete application for refund, as prescribed under R17-8-601, 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 use fuel that the use 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, VIN, and gross vehicle weight.

Historical Note
New Section made by final rulemaking at 14 A.A.R. 399, effective March 8, 2008 (Supp. 08-1). Amended by final expedited rulemaking at 24 A.A.R. 3501, effective December 4, 2018 (Supp. 18-4).