

Alabama Department of Revenue

News Release
Aug. 1, 2008

Changes in Farmers' Fuel Tax Refunds Take Effect Aug. 6

Montgomery—Helping to generate electricity can now help some Alabama farmers generate a fuel tax refund, according to the Alabama Department of Revenue.

Recent law changes in Alabama farmers' fuel tax refund procedures allow Alabama farmers transporting biomass to electricity-generating facilities to receive a fuel tax refund up to \$1,000 and also extend farmers' fuel tax refund provisions to include clear motor fuel used on the farm in tractors and other farm machinery attached to tractors.

Act 2008- 275 provides for a refund of 11 cents per gallon from gasoline and motor fuel excise taxes, limited up to \$1,000 annually on fuel used to transport biomass from a farm to the electricity-generating facility.

The law changes take effect Aug. 6, 2008, and because 2008 will be a transition year, the ADOR advises that farmers will have two claim forms to file for the 2008 tax year—one under the old guidelines and one under the new guidelines.

“One refund claim form will apply to taxes on gasoline purchased from Jan. 1, 2008, through Aug. 5, 2008. The refund rate for that period is 15 cents per gallon and will only apply to the amount of gasoline that was used in tractors or any auxiliary engines attached to tractors. It will not include motor fuel.

“The second refund claim will apply to taxes on gasoline and motor fuel purchased from Aug. 6, 2008, through Dec. 31, 2008. The refund rate will be 11 cents per gallon, and in addition to allowable on-farm uses, it will apply to

allowable off-farm uses as well,” explained State Revenue Commissioner Tim Russell.

Farmers may file their 2008 refund claims beginning Jan. 1, 2009, through March 31, 2009.

Farmers who have previously filed refund claims with the ADOR will be mailed forms later this year. Any individual qualifying for a refund may obtain a claim form by writing to the following address: Alabama Department of Revenue, Sales, Use and Business Tax Division, Motor Fuels Section, Post Office Box 327540, Montgomery, AL 36132-7540, or telephone (334) 242-9608.

After Jan. 1, 2009, forms will also be available at all county extension agent offices and all Alabama Department of Revenue Taxpayer Service Centers.

For more information, farmers may contact the department’s Motor Fuels Section at (334) 242-9608, or email Steve.Dubose@revenue.alabama.gov.

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