

**CHAPTER 18  
MOTOR FUELS TAX**

**Authority**

N.J.S.A. 54:39-10 and 54:50-1

**Source and Effective Date**

R.2004 d.370, effective October 4, 2004.  
See: 36 N.J.R. 2304(a), 36 N.J.R. 4488(a).

**Chapter Expiration Date**

Chapter 18, Motor Fuels Tax, expires on October 4, 2009.

**Chapter Historical Note**

Chapter 18, Motor Fuels Tax, was filed and became effective prior to September 1, 1969.

Pursuant to Executive Order No. 66(1978), Chapter 18, Motor Fuels Tax, was readopted as R.1984 d.142, effective April 2, 1984. See: 16 N.J.R. 358(b), 16 N.J.R. 926(a).

Pursuant to Executive Order No. 66(1978), Chapter 18, Motor Fuels Tax, was readopted as R.1989 d.198, effective March 14, 1989. See: 21 N.J.R. 125(b), 21 N.J.R. 1020(a).

Pursuant to Executive Order No. 66(1978), Chapter 18, Motor Fuels Tax, was readopted as R.1994 d.187, effective March 14, 1994. See: 26 N.J.R. 777(a), 26 N.J.R. 1706(a).

Pursuant to Executive Order No. 66(1978), Chapter 18, Motor Fuels Tax, was readopted as R.1999 d.85, effective February 16, 1999. See: 30 N.J.R. 3610(a), 31 N.J.R. 777(b).

Chapter 18, Motor Fuels Tax, was adopted as new rules by R.2004 d.370, effective October 4, 2004. See: Source and Effective Date.

**CHAPTER TABLE OF CONTENTS**

**SUBCHAPTER 1. DEFINITIONS**

18:18-1.1 Words and phrases defined

**SUBCHAPTER 2. LICENSING**

- 18:18-2.1 General powers
- 18:18-2.2 Bonds and penalties
- 18:18-2.3 Issuance of licenses
- 18:18-2.4 Request for hearing upon refusal to grant license
- 18:18-2.5 Revocation and cancellation of license
- 18:18-2.6 Hearings
- 18:18-2.7 Subpoenas for witnesses; records
- 18:18-2.8 Disobedience of subpoena
- 18:18-2.9 (Reserved)
- 18:18-2.10 Nature of hearings
- 18:18-2.11 through 18:18-2.13 (Reserved)

**SUBCHAPTER 3. DISTRIBUTOR'S, IMPORTER'S AND GASOLINE JOBBER'S LICENSE; BONDS REQUIRED; RECORDS**

- 18:18-3.1 Distributor's license; application
- 18:18-3.2 Refusal in certain cases
- 18:18-3.3 Gasoline jobber's license
- 18:18-3.4 Qualifications for license
- 18:18-3.5 Bond requirements
- 18:18-3.6 Amount of bond required
- 18:18-3.7 Bond duration
- 18:18-3.8 Deposit in lieu of bond

- 18:18-3.9 License issued when bond approved
- 18:18-3.10 License not assignable
- 18:18-3.11 Violations for acting as a distributor, importer or gasoline jobber without a license
- 18:18-3.12 Records
- 18:18-3.13 Statements with consignment
- 18:18-3.14 Physical inventory required
- 18:18-3.15 Furnishing of statement
- 18:18-3.16 Consignment taxable disposal
- 18:18-3.17 Segregated gasoline not in inventory
- 18:18-3.18 Disposals and receipts
- 18:18-3.19 Terms of licenses
- 18:18-3.20 Importer license; tax reports and payments
- 18:18-3.21 Records on transactions and invoices
- 18:18-3.22 Distributors are not required to have an importer's license to import gasoline
- 18:18-3.23 Jobbers importing fuels
- 18:18-3.24 Seller and user importing special fuels
- 18:18-3.25 through 18:18-3.31 (Reserved)

**SUBCHAPTER 4. WHOLESALE AND RETAIL DEALERS AND TRANSPORT LICENSES**

- 18:18-4.1 Retail dealer license; fee; display of license
- 18:18-4.2 Wholesale dealer license; fee
- 18:18-4.3 Restrictions on retail and wholesale sales
- 18:18-4.4 Wholesale or retail dealer license
- 18:18-4.5 Records required for a wholesale audit
- 18:18-4.6 Retail dealer records required
- 18:18-4.7 Wholesale license required when sales are made by a commissioned agent
- 18:18-4.8 Invoice on sales
- 18:18-4.9 Wholesale and retail sales require seller/user license for special fuel sales
- 18:18-4.10 Transport licenses

**SUBCHAPTER 5. SELLER OF SPECIAL FUELS LICENSE, USER OF SPECIAL FUELS LICENSE (I.E., SELLER/USER), STORAGE FACILITY LICENSE**

- 18:18-5.1 Seller/user license
- 18:18-5.2 Reporting; tax payment
- 18:18-5.3 Sales not subject to tax
- 18:18-5.4 Separate account; personal liability
- 18:18-5.5 Bonds; form; amount
- 18:18-5.6 Farmers
- 18:18-5.7 Storage facility operators
- 18:18-5.8 through 18:18-5.23 (Reserved)

**SUBCHAPTER 6. CORPORATIONS**

- 18:18-6.1 Persons subject to the Act
- 18:18-6.2 Corporations formed to evade the law
- 18:18-6.3 Previous violations preclude corporation from getting license
- 18:18-6.4 through 18:18-6.8 (Reserved)

**SUBCHAPTER 7. IMPOSITION OF TAX AND TAX REPORTING**

- 18:18-7.1 Distributors, importers and gasoline jobbers monthly tax reporting and payments; penalties
- 18:18-7.2 Special conditions on reporting by distributors, importers and gasoline jobbers
- 18:18-7.3 (Reserved)
- 18:18-7.4 Seller/user tax reports and payments
- 18:18-7.5 Taxable sales by U.S. Government, State of New Jersey, any political subdivision of this State or department or agency of either
- 18:18-7.6 Tax reports using fractions of a gallon for all taxpayers
- 18:18-7.7 Reporting gallons based on invoices for all taxpayers

- 18:18-7.8 Losses listed on tax reports by licensed distributors, importers and gasoline jobbers  
 18:18-7.9 Invoices delivered with sales; information required  
 18:18-7.10 Proper filing of reports  
 18:18-7.11 Audit  
 18:18-7.12 through 18:18-7.13 (Reserved)

**SUBCHAPTER 8. FUEL CARRIERS**

- 18:18-8.1 Reports by fuel carriers  
 18:18-8.2 Monthly report; contents  
 18:18-8.3 Inspection of transporter's records  
 18:18-8.4 Registration of conveyances; license plates  
 18:18-8.5 Delivery tickets required; Director or police may inspect  
 18:18-8.6 Fuel limit importation  
 18:18-8.7 Vessel and vehicle carrier regulations  
 18:18-8.8 Reports by water carriers  
 18:18-8.9 Water carrier's requirements  
 18:18-8.10 Suspension of license  
 18:18-8.11 through 18:18-8.12 (Reserved)

**SUBCHAPTER 9. EXPORTS**

- 18:18-9.1 Exported fuels exempt; proof required and must be reported  
 18:18-9.2 Export must be fully completed  
 18:18-9.3 Falsely obtaining fuel for export; crime of the fourth degree  
 18:18-9.4 through 18:18-9.5 (Reserved)

**SUBCHAPTER 10. TAX PAID IN ERROR—REFUND AND APPEALS**

- 18:18-10.1 Refunds paid out of escrow  
 18:18-10.2 Appeals  
 18:18-10.3 through 18:18-10.4 (Reserved)

**SUBCHAPTER 11. COLLECTION OF TAXES**

- 18:18-11.1 Suits by the Attorney General for taxes and penalties  
 18:18-11.2 Debt docketed; licensee deemed to accept procedure; appeal  
 18:18-11.3 Release of liens; payment or deposit  
 18:18-11.4 through 18:18-11.6 (Reserved)

**SUBCHAPTER 12. OFFENSES, FINES AND PENALTIES**

- 18:18-12.1 Failure to procure licenses; penalty  
 18:18-12.2 Failure to keep records  
 18:18-12.3 Failure to register conveyance; penalty imposed  
 18:18-12.4 Failure to have delivery tickets; penalty imposed  
 18:18-12.5 (Reserved)  
 18:18-12.6 False export claims; crime of the fourth degree  
 18:18-12.7 (Reserved)  
 18:18-12.8 Acting as a distributor or gasoline jobber without license; crime of the fourth degree  
 18:18-12.9 (Reserved)  
 18:18-12.10 False refund claims; failure to keep records on refund claims  
 18:18-12.11 Obtaining tax-free fuels illegally from U.S. Government, State of New Jersey, any political subdivision of the State or department or agency of either for disposal  
 18:18-12.12 through 18:18-12.15 (Reserved)  
 18:18-12.16 Seller or user of special fuels without license; penalties  
 18:18-12.17 Storage facility operator without license; penalties  
 18:18-12.18 Failure of storage facility operator to keep records; penalties  
 18:18-12.19 Certain untaxed special fuel subject to forfeiture

**SUBCHAPTER 13. PROCEDURE FOR COLLECTION OF FINES AND PENALTIES**

- 18:18-13.1 Law applicable except to crimes  
 18:18-13.2 Suit by Director; jurisdiction; process  
 18:18-13.3 Judgment; commitment for nonpayment  
 18:18-13.4 through 18:18-13.6 (Reserved)

**SUBCHAPTER 14. EXEMPTIONS**

- 18:18-14.1 Sales to Federal Government, State of New Jersey, any political subdivision of this State or to department or agency of either exempt; time limit for tax credit  
 18:18-14.2 Reporting tax-free sales to United States Government, State of New Jersey, any political subdivision of this State or to department or agency of either  
 18:18-14.3 Diplomatic missions and diplomatic personnel  
 18:18-14.4 (Reserved)

**SUBCHAPTER 15. REFUNDS**

- 18:18-15.1 Refundable uses; application for refund; supporting tax-paid invoices; distributor procedure  
 18:18-15.2 Distributor may take credit in lieu of refund; seller/user report of refundable use  
 18:18-15.3 Invoices required with claims; Director may permit otherwise  
 18:18-15.4 Payment of refunds; time limit; false statements and/or fraudulent payments; crimes  
 18:18-15.5 Records establishing claims  
 18:18-15.6 through 18:18-15.7 (Reserved)  
 18:18-15.8 Rural free delivery carriers  
 18:18-15.9 (Reserved)  
 18:18-15.10 Refund procedure for licensed exporters on export or sales for export  
 18:18-15.11 Separate invoices where refund claimed  
 18:18-15.12 through 18:18-15.20 (Reserved)

**SUBCHAPTER 1. DEFINITIONS****18:18-1.1 Words and phrases defined**

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Blender" means and includes any person that produces blended fuel within the terminal system. As used in this definition the term "terminal system" means and consists of refineries, pipelines, and bulk terminals. Motor fuel in any supply tank or any tank car, tanker, or other equipment suitable for ground transportation is not considered to be within the terminal system. A person that engages in "splash blending" is not considered to be a blender within the meaning of this rule.

Example: S heating oil company drives its tank truck to a terminal in Linden. The truck contains No. 2 heating oil. At the terminal a quantity of kerosene is added to the load. The truck drives away, and as it travels over bumps in the road, the two products mix in the tank. Based on this activity the heating oil company does not qualify as a blender within the meaning of the term.

"Common carrier" means any person engaged in or employed in the business of carrying fuels for others for hire. (Historical Note: Formerly Reg. M.F.-10 filed 4/30/57.)

"Director" means the Director of the Division of Taxation in the Department of the Treasury.

(e) Reporting sales and/or use of special fuels by New Jersey licensed distributors, gasoline jobbers and importers.

1. Distributors, gasoline jobbers and importers are required to have a seller/user license to report sales and uses of special fuels;

2. See N.J.A.C. 18:18-5.1(b) for reporting requirements for seller/user; and see N.J.A.C. 18:18-7.4 for payment requirements. (Historical Note: Formerly Reg. M.F.-6 filed 4/30/57.)

(f) Refundable uses by Licensed Distributors and Gasoline Jobbers. The Director may, in his discretion, permit a Distributor or licensed Gasoline Jobber entitled to a refund under the provisions listed in N.J.A.C. 18:18-15.1 to take credit therefor in lieu of such refund in such manner as the Director may require, on a report filed pursuant to these rules.

1. Subject to investigation, such gallonage on which the tax had been paid may be listed on the appropriate line of the Distributor's or Gasoline Jobber's Monthly Tax Report supported by entries on the appropriate schedule.

2. Such claims are subject to the time limit as noted in N.J.A.C. 18:18-15.4.

(g) A tax-free sale by an importer may be made to a licensed distributor or gasoline jobber. An importer may not purchase tax free gasoline in New Jersey.

(h) An importer is not required to have an export license to export gasoline. All exports will be reported on the appropriate line of the importer return.

Amended by R.1979 d.137, effective April 4, 1979.  
See: 11 N.J.R. 149(d), 11 N.J.R. 264(b).  
Amended by R.1995 d.79, effective February 6, 1995.  
See: 26 N.J.R. 4512(a), 27 N.J.R. 535(a).

#### Statutory References

N.J.S.A. 54:39-27.  
N.J.S.A. 54:39-65.  
N.J.S.A. 54:39-7.  
N.J.S.A. 54:39-28.  
N.J.S.A. 54:39-64(c).  
N.J.S.A. 54:39-66 and 67.

#### 18:18-7.3 (Reserved)

Amended by R.1979 d.137, effective April 4, 1979.  
See: 11 N.J.R. 149(d), 11 N.J.R. 264(b).  
Repealed by R.1995 d.79, effective February 6, 1995.  
See: 26 N.J.R. 4512(a), 27 N.J.R. 535(a).

Section was "Special License 'A' reporting and tax payments; penalties".

#### 18:18-7.4 Seller/user tax reports and payments

(a) Persons required to obtain a seller/user license pursuant to N.J.A.C. 18:18-5.1 must file Tax Report, accompa-

nied by tax payment at the current rate on or before the 20th day of the month following the month of sales or uses.

(b) The current rate of tax per gallon on each gallon of liquefied petroleum gas and liquefied or compressed natural gas sold or used to propel motor vehicles upon the public highways shall be one-half the rate applicable and paid on the sale or use of gasoline under N.J.S.A. 54:39-27.

Amended by R.1995 d.79, effective February 6, 1995.  
See: 26 N.J.R. 4512(a), 27 N.J.R. 535(a).

#### Statutory References

N.J.S.A. 54:39-64(b).

#### 18:18-7.5 Taxable sales by U.S. Government, State of New Jersey, any political subdivision of this State or department or agency of either

(a) The provisions of these rules requiring the payment of taxes are not to be construed to apply to fuel sold to the U.S. Government, State of New Jersey, any political subdivision of this State or any department or agency thereof for their official use. (See also N.J.A.C. 18:18-14.3 for diplomatic missions and personnel provision.)

(b) Any person who purchases or otherwise acquires fuel as herein defined upon which the tax has not been paid, from the governments noted in (a) above or any of their agents or officers, for use not specifically associated with any governmental function or operation must report and pay immediately to the State of New Jersey, the tax herein provided upon the fuel so acquired.

(c) Agents or officers of a U.S. Government reservation or other operation must report monthly on all taxable motor fuel disposals, and submit the State tax on or before the next to the last business day of the month following that for which the report is made.

Amended by R.1979 d.137, effective April 4, 1979.  
See: 11 N.J.R. 149(d), 11 N.J.R. 264(b).  
Amended by R.1995 d.79, effective February 6, 1995.  
See: 26 N.J.R. 4512(a), 27 N.J.R. 535(a).

#### Statutory References

N.J.S.A. 54:39-65.

#### 18:18-7.6 Tax reports using fractions of a gallon for all taxpayers

(a) Taxpayers, when reporting transactions involving gallons of fuels, are required to increase to one gallon all fractions of  $\frac{1}{2}$  or more and to drop from accountability all fractions less than  $\frac{1}{2}$  gallon;

(b) The tax must be paid on this basis.

**18:18-7.7 Reporting gallons based on invoices for all taxpayers**

Gallons listed in any line and schedule of the tax report must include only the number of gallons actually shown on the supplier's invoices or memo billings on receipts and on the invoices or memo billings for disposals.

**18:18-7.8 Losses listed on tax reports by licensed distributors, importers, and gasoline jobbers**

(a) All losses must be reported and explained in detail.

(b) Extraordinary losses (generally over ½ percent of total handled during a particular month) may be subject to tax assessment after audit.

Amended by R.1995 d.79, effective February 6, 1995.  
See: 26 N.J.R. 4512(a), 27 N.J.R. 535(a).

**18:18-7.9 Invoices delivered with sales; information required**

(a) All licensed distributors, importers and gasoline jobbers in this State, on all sales of gasoline except deliveries into the service tank of a vehicle, must give each purchaser an invoice showing:

1. The date of sale and delivery;
2. Kind and grade of the fuel involved;
3. Number of gallons sold;
4. The names and addresses of the seller and purchaser and the unit price per gallon.

(b) The invoice must show a separate charge for the tax on every gallon and the total amount (in dollars) involved in the transaction.

Amended by R.1979 d.137, effective April 4, 1979.  
See: 11 N.J.R. 149(d), 11 N.J.R. 264(b).  
Amended by R.1995 d.79, effective February 6, 1995.  
See: 26 N.J.R. 4512(a), 27 N.J.R. 535(a).

**Statutory References**

N.J.S.A. 54:39-25.

**18:18-7.10 Proper filing of reports**

(a) A tax report which is submitted to the Director and which does not fully set forth the information required to be included in the report will not be considered a proper filing by the taxpayer, and will be returned to the taxpayer.

(b) A tax return, report, notice, petition, protest, claim or other document to be filed or remittance containing payment of tax, required to be filed within a prescribed period, or on or before a prescribed date, under the provisions of these rules that is delivered after the period or the date by the United States mail to the Division of Taxation, the Director, or other person with whom the document is required to be filed shall be deemed to be delivered on the date of the United States postmark stamped on the envelope.

(c) This provision shall apply only if the postmark date falls within the prescribed period or on or before the prescribed date for the filing of the document, determined with regard to any extension granted for filing, and the document was deposited in the mail, postage prepaid, properly addressed to the Division of Taxation, the Director, or other person or office with which or with whom the document is required to be filed.

(d) If any document is sent by United States registered or certified mail, such registration or certification shall be prima facie evidence that the document was delivered to the Director, bureau, office, officer or person to which or to whom addressed.

(e)1. If the postmark on the envelope or wrapper containing the document or payment is made by other than the United States Postal Service (that is, metered mail): the postmark so made must bear a date which falls within the prescribed period on or before the prescribed date for filing or paying (including any extensions of time granted for filing or paying); and the document or payment must be received by the Division not later than the time when an envelope or other appropriate wrapper which has sufficient postage prepaid and is properly addressed, mailed and sent by the same class of mail would ordinarily be received at the address designated by the Division if it were postmarked at the same point of origin by the United States Postal Service within the prescribed period or on or before such prescribed date for filing or paying (including any extensions of time granted for filing or paying).

2. In a case where the document or payment is received after the time when a document or payment so mailed and so postmarked by the United States Postal Service would ordinarily be received at the address designated by the Division, such document or payment will be treated as having been received at a time when a document or payment so mailed and postmarked would ordinarily have been received, if the person who or which is required to file or pay establishes: that it was actually deposited in the mail before the last collection of the mail from the place of deposit which was postmarked (except for metered mail) by the United States Postal Service within the prescribed period or on or before the prescribed date for filing or paying; that the delay in receiving the document or payment was due to a delay in the transmission of the mail; and the cause of such delay.

3. If the envelope or wrapper containing the document or payment has a postmark made by the United States Postal Service in addition to the postmark not so made, the postmark which was not made by the United States Postal Service will be disregarded, and whether the envelope or wrapper was mailed in accordance with this section will be determined solely by applying the provisions of (b) above.

Repeal and New Rule, R.1995 d.79, effective February 6, 1995.  
See: 26 N.J.R. 4512(a), 27 N.J.R. 535(a).