



COLORADO
Department of Revenue

Taxation Division

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MEMORANDUM

TO: Colorado Jurisdiction Fleet Managers

FROM: Fuel Unit, Excise Tax Section

DATE: December 2014

Subject: Fuel Tax Exemption Certificate

Dear Fleet Manager:

Colorado Department of Revenue will be changing the administration process for the Fuel Tax Exemption Certificate. A certificate is issued to a Colorado governmental entity that allows the entity an exemption from the payment of Colorado excise tax on the fuel it purchases exclusively for performing governmental functions and activities.

House Bill 14-1105 provides that a governmental entity may sell to or purchase gasoline or special fuel from another governmental entity that has a Fuel Tax Exemption Certificate, and the transaction is exempt from the excise tax if the fuel is used exclusively for performing governmental functions and activities.

Fuel purchased tax-exempt by a governmental entity must be used exclusively in performing its governmental functions and activities. Furthermore, the fuel is to be used only in vehicles owned and operated by the governmental entity granted the fuel tax exemption certificate. Non-government use of the fuel is subject to tax. Some examples of non-government use:

- Sales or use of fuel by employees in non-government vehicles are NOT exempt from Colorado fuel tax.
- Sales or use by charitable or non-profit organizations are NOT exempt from Colorado fuel tax.

Effective January 1, 2015, all Fuel Tax Exemption Certificates issued will remain in effect until cancelled by the governmental entity or revoked. Annual copies of the Fuel Tax Exemption Certificate will no longer be mailed.

If you have any questions, please contact the Fuel Unit at 303-205-8205, option 2.

Respectfully,

Taxpayer Services
Colorado Department of Revenue