

SUMMARY OF NO. 22-03

The proposed law would exempt from the state gasoline sales tax any sale of fuel for automotive use, including a sale of unleaded gasoline and diesel fuel, if the sale occurs at a time when the retail price for regular gasoline in Massachusetts is greater than or equal to \$3.00 per gallon. The availability of this tax exemption would be subject to legislative appropriation.

The proposed law would also change the way that the state gasoline sales tax is assessed and then reported to the Massachusetts Department of Revenue ("Department") when fuel is sold for automotive use. Under the proposed law, when fuel is sold for automotive use, the gasoline tax would not be assessed at the time that a wholesaler sells the fuel to an intermediary, but instead at the time that the intermediary sells the fuel to the ultimate retail customer. The retail customer would be responsible for paying the tax to the intermediary, and the intermediary would then be responsible for remitting and reporting the gasoline tax to the Department. Under the proposed law, the intermediary would be required to identify for the Department which sales of fuel are exempt from the gasoline tax because the price of gasoline was greater than or equal to \$3.00 at the time of the sale, and which sales of fuel are not exempt.

The proposed law would take effect starting in tax year 2025. The proposed law states that if any of the parts were declared invalid, the other parts would stay in effect.