#### § 48.4041-8 Definitions.

\* \* \* \* \*

- (f) Special motor fuel. (1) Except as provided in paragraph (f)(2) of this section, special motor fuel means any liquid fuel, including—
- (i) Any liquefied petroleum gas (such as propane, butane, pentane, or mixtures of the same);
  - (ii) Liquefied natural gas; or

**Par. 6.** Section 48.4041–21 is revised to read as follows:

# § 48.4041–21 Compressed natural gas (CNG).

(a) Delivery of CNG into the fuel supply tank of a motor vehicle or motorboat—(1) Imposition of tax. Tax is imposed on the delivery of compressed natural gas (CNG) into the fuel supply tank of the propulsion engine of a motor vehicle or motorboat unless tax was previously imposed on the CNG under paragraph (b) of this section.

(2) Liability for tax. If the delivery of the CNG is in connection with a sale, the seller of the CNG is liable for the tax imposed under paragraph (a)(1) of this section. If the delivery of the CNG is not in connection with a sale, the operator of the motor vehicle or motorboat, as the case may be, is liable for the tax imposed under paragraph (a)(1) of this section.

(b) Bulk sales of CNG—(1) In general. Tax is imposed on the sale of CNG that is not in connection with the delivery of the CNG into the fuel supply tank of the propulsion engine of a motor vehicle or motorboat if, by the time of the sale—

(i) The buyer has given the seller a written statement stating that the entire quantity of the CNG covered by the statement is for use as a fuel in a motor vehicle or motorboat; and

(ii) The seller has given the buyer a written acknowledgement of receipt of the statement described in paragraph (b)(1)(i) of this section.

(2) *Liability for tax.* The seller of the CNG is liable for the tax imposed under this paragraph (b).

- (c) Exemptions—(1) In general. The taxes imposed under this section do not apply to a delivery or sale of CNG for a use described in § 48.4082–4T(c)(1) through (5)(A) or (c)(6) through (11). However, if the person otherwise liable for tax under this section is the seller of the CNG, the exemption under this section applies only if, by the time of sale, the seller receives an unexpired certificate (as described in this paragraph (c)) from the buyer and has no reason to believe any information in the certificate is false.
- (2) *Certificate; in general.* The certificate to be provided by a buyer of

CNG is to consist of a statement that is signed under penalties of perjury by a person with authority to bind the buyer, should be in substantially the same form as the model certificate provided in paragraph (c)(4) of this section, and should contain all information necessary to complete the model certificate. A new certificate must be given if any information in the current certificate changes. The certificate may be included as part of any business records normally used to document a sale. The certificate expires on the earliest of the following dates:

(i) The date one year after the effective date of the certificate (which may be no earlier than the date it is signed).

(ii) The date a new certificate is provided to the seller.

(iii) The date the seller is notified by the Internal Revenue Service or the buyer that the buyer's right to provide a certificate has been withdrawn.

(3) Withdrawal of the right to provide a certificate. The Internal Revenue Service may withdraw the right of a buyer of CNG to provide a certificate under this paragraph (c) if the buyer uses CNG to which a certificate applies in a taxable use. The Internal Revenue Service may notify any seller to whom the buyer has provided a certificate that the buyer's right to provide a certificate has been withdrawn.

(4) Model certificate.

### Certificate of Person Buying Compressed Natural Gas (CNG) for a Nontaxable Use

(To support tax-free sales of CNG under section 4041 of the Internal Revenue Code.)

Name, address, and employer identification number of seller

"Buyer") certifies the following under penalties of perjury: The CNG to which this certificate relates will be used in a nontaxable use.

This certificate applies to the following (complete as applicable):

If this is a single purchase certificate, check here \_\_\_\_\_ and enter:

1. Invoice or delivery ticket number

2	(number of MCFs)
If this is a	certificate covering all purchases
under a spec	fied account or order number,
chock horo	and ontar

1. Effective date \_\_\_\_\_

2. Expiration date \_\_\_\_\_(period not to exceed 1 year after the effective date)

3. Buyer account or order number

Buyer will not claim a credit or refund under section 6427 of the Internal Revenue Code for any CNG to which this certificate relates.

Buyer will provide a new certificate to the seller if any information in this certificate changes.

Buyer understands that if Buyer violates the terms of this certificate, the Internal Revenue Service may withdraw Buyer's right to provide a certificate.

Buyer has not been notified by the Internal Revenue Service that its right to provide a certificate has been withdrawn. In addition, the Internal Revenue Service has not notified Buyer that the right to provide a certificate has been withdrawn from a purchaser to which Buyer sells CNG tax free.

Buyer understands that the fraudulent use of this certificate may subject Buyer and all parties making any fraudulent use of this certificate to a fine or imprisonment, or both, together with the costs of prosecution.

Printed or typed name of person signing

Title of person signing

Employer identification number

Address of Buyer

Signature and date signed

- (d) *Rate of tax.* The rate of the tax imposed under this section is the rate prescribed by section 4041(a)(3).
- (e) *Effective date.* This section is effective October 1, 1995.

#### § 48.4081-0 [Removed]

**Par. 7.** Section 48.4081–0 is removed. **Par. 8.** In § 48.4081–3, paragraph (b)(1) is revised to read as follows:

## § 48.4081–3 Gasoline tax; taxable events other than removal at the terminal rack.

(b) \* \* \* (1) In general. Except as provided in § 48.4081–4 (relating to gasoline blendstocks) and paragraph (b)(2) of this section (relating to an exception for certain refineries), tax is imposed on the following removals of gasoline from a refinery:

(i) The removal is by bulk transfer and the refiner or the owner of the gasoline immediately before the removal is not a gasoline registrant.

(ii) The removal is at the rack.
(iii) After September 30, 1995, the removal is of a batch of gasohol from an approved refinery by bulk transfer and the refiner treats itself with respect to the removal as a person that is not registered under section 4101. See § 48.4101–3. For the rule providing that no deposit is required in the case of the tax imposed under this paragraph (b)(1)(iii), see § 40.6302(c)-1(e)(4) of this chapter. For the rule allowing inspections of facilities where gasohol is produced, see section 4083.

**Par. 9.** Section 48.4081–6 is revised to read as follows:

#### § 48.4081-6 Gasoline tax; gasohol.

(a) *Overview*. This section provides rules for determining the applicability