

Tax Management Office, University of Minnesota

June 2022

Gasoline Fuel Purchases

Federal Excise Tax

The University of Minnesota is exempt from federal excise tax on fuel because we are an integral part of the State of Minnesota and a nonprofit education institution. Vendors selling bulk purchases of fuel to the University generally do not charge federal excise tax on the sale. There are some vendors using a billing system that cannot accommodate our exemption. For large purchases where the University is charged the federal excise tax, your department may want to consider pursuing a refund of the excise taxes paid on the fuel purchases by working with the Tax Management Office.

The University of Minnesota may make one annual refund claim that contains all purchases of fuel that were subject to federal excise tax. The period is based on the U's fiscal year and must be filed within three years following the close of the fiscal year during which the purchases were made. The amount claimed on each refund claim must be at least \$750.

The Tax Management Office will file all refund claims for federal excise tax on fuel. The department purchasing fuel must keep track of the gallons purchased and provide this information to the Tax Management Office by August 1 following the close of the fiscal year during which the purchases were made. The Tax Management Office will combine purchases by all departments to reach the \$750 threshold. It may be necessary to combine two, or even three, years to meet the threshold. The Tax Management Office will file the appropriate forms and forward the refunds to the appropriate departments upon receipt.

State Excise Tax

Generally, the University of Minnesota must pay state excise tax on fuel purchases unless the fuel is used for off road purposes. The department making the fuel purchase may file a Form PDR-1 directly with the Minnesota Department of Revenue to get a refund of taxes paid on fuel used for off road purposes. The U must pay state excise tax on fuel used for other purposes.

Voyager Gas Card

If you rent a University vehicle and use a Voyager credit card to purchase gas, the University automatically receives a refund for the federal excise tax. You do not need to keep track of gallons of gas purchased when using the Voyager card.

Please contact the Tax Management Office with any questions about fuel taxes.