



SPONSOR: Sen. McDowell & Rep. Hudson

DELAWARE STATE SENATE  
144th GENERAL ASSEMBLY

SENATE BILL NO. 340

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO SPECIAL FUEL TAXES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend §5133, Title 30, Delaware Code by adding subsections (c), (d), (e) and (f) to read as follows:

“(c) Special fuel is exempt from the special fuel tax if:

(1) the special fuel has a nominal biodiesel content of at least twenty percent (20%);

(2) the special fuel is used only for a personal, noncommercial use and is not for resale; and

(3) the individual using the special fuel:

(a) produces the biodiesel content of the special fuel; and

(b) obtains an exemption certificate under subsection (c) before using the special fuel.

(d) The maximum number of gallons of special fuel for which an individual may claim the exemption under subsection (c) in a year is equal to:

(1) two thousand (2,000); divided by

(2) the average percentage volume of biodiesel in each gallon used by the individual.

(e) The department shall issue an exemption certificate to an individual who produces evidence of nontaxability under subsection (c)(1), (c)(2), and (c)(3). A certificate issued under this subsection is valid for a period determined by the department, but not to exceed five (5) years. Such certificate also exempts the individual from filing the monthly tax return required by §5136 of this Title. The department may allow an individual to renew an exemption certification for additional five (5) year periods. An exemption certificate applies only to special fuel described in subsection 9a). An individual holding a certificate issued under this subsection shall notify the department:

(1) of any address change by the individual; and

(2) when the individual ceases using special fuel that is exempt under this section.

21 (f) An individual who is issued an exemption certificate under subsection (e) must submit to the department a  
22 report, in a form prescribed by the department, not later than January 20 of each year. The report must  
23 include:  
24 (1) the number of gallons of special fuel in the immediately preceding year; and  
25 (2) the average percentage volume of biodiesel in each gallon of special fuel; to which the exemption  
26 was applied in the calendar year ending on the immediately preceding December 31.”

#### SYNOPSIS

This Bill exempts users of “special fuels” including biodiesel and non-corn based ethanol from taxation. Commercial sale of special fuels remain subject to taxation. This Bill also waives the necessity for certification up to 2000 gallons.

Author: Senator McDowell