

Missouri Department of Revenue

Bulletin: Motor Fuel Tax Watercraft Exemption

ATTENTION

ALL MARINA OWNERS AND DISTRIBUTORS

On June 24, 2015, Governor Nixon signed Senate Bill 231, which revised Section 142.815, RSMo. The bill allows motor fuel distributors to sell fuel exempt from the motor fuel tax if the fuel is delivered to any marina in the state solely for use in watercraft. If a consumer purchases motor fuel for use in watercraft at a location in the state other than a marina, the consumer may file a claim for refund of the fuel tax. The bill also provides that sales of motor fuel for use in watercraft are exempt from sales tax. These changes are effective August 28, 2015.

Distributors that sell exempt fuel to marinas in the state may file a claim for refund of the fuel tax the distributor paid on the fuel. As an alternative, the distributor may sell the fuel with the fuel tax included in the price and the marina owner may file for the refund.

If a marina has a storage tank that supplies pumps for both watercraft and motor vehicles, the distributor must charge the marina the fuel tax. The marina must track the number of gallons of fuel sold for use in watercraft and apply for a refund of the motor fuel tax. The marina should not charge the consumer fuel tax.

To assist in the transition from selling taxed motor fuel to untaxed motor fuel, the marina owner should take an inventory after the close of business on August 27, 2015, of the taxed motor fuel they have on hand and held for sale exclusively for use in watercraft. The marina owner may file a claim for refund of the motor fuel tax on the existing inventory.

If you have questions or would like additional information, contact Karen Keeney or Gerald Robinett at P. O. Box 800, Jefferson City, Mo 65105-0800, e-mail excise@dor.mo.gov or call 573-751-7671.

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