

# Vermont Taxes and Fees on Oilheat, Propane, Kerosene and Dyed Diesel

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## **PDLF**

The 1-cent per gallon **Petroleum Distributors Licensing Fee (PDLF)** is assessed on sales of heating oil, kerosene, and dyed diesel delivered in Vermont. Revenue from the PDLF goes to the Petroleum Cleanup Fund (PCF), which helps pay for pollution remediation and pro-active measures to reduce the occurrence of fuel spills. There are no municipal, agricultural, or manufacturing exemptions from the PDLF. The only exempt sales are those from a stationary pump and sales for re-sale. *The PDLF is NOT assessed on sales of propane.*

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## **Fuel Tax**

The 2-cent per gallon **Vermont Fuel Tax** is assessed on the sellers of propane, heating oil, kerosene, and dyed diesel fuel delivered in Vermont. Revenue from the Fuel Tax funds the Vermont Low Income Weatherization Program. Similar to the PDLF, the Fuel Tax is not applicable on sales from a pump and sales for re-sale. **Effective July 1, 2019**, there are **no longer exemptions** for schools, government, or non-profit organizations. The tax applies to all gallons sold.

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The **Vermont Sales Tax** is applied to commercial sales of heating fuel, including heating oil, kerosene, propane, coal, pellets, wood chips, and chunk wood. The tax also applies to sales of dyed diesel sold in bulk, if the fuel is for non-propulsion use. There are exemptions for dyed diesel if used for manufacturing, forestry, and agricultural. Consumers should submit Form S-3F and suppliers of fuel should have the completed form on file for all exempt consumers.

Since an apartment is considered a “residence” it fits under the sales tax exemption for sales of electricity, oil, gas and other fuels used in a residence, regardless of who pays the bill. A hotel and motel is considered a business and not a residence and so would pay the 6% sales and use tax on heating fuel. In the case of mixed use buildings, the portion of fuel used to heat the residence is not taxed, while the portion used to heat the business is taxed.

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Where applicable, the 1-cent per gallon PDLF, the 2-cent per gallon Fuel Tax, and the 6% Vermont Sales and Use Tax can be itemized on a delivery ticket, invoice, or statement. The PDLF should be itemized separately and labeled as a fee, not a tax. Vermont law is more specific when it comes to itemizing the Fuel Tax. Where the tax is itemized, the delivery ticket, invoice, or statement must say *“For support of Vermont’s Low Income Home Weatherization Program.”*

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Fuel dealers are required to pay all taxes and fees on the 25th of the month. Fuel dealers can pay the Fuel tax and PDLF online at [myVTax.vermont.gov](http://myVTax.vermont.gov) or by using Tax Form FGR-615. The Vermont Sales and Use Tax is paid monthly using Tax Form SUT-451.

## **6% Sales Tax**

## **Itemizing Fuel Taxes and Fees**

## **Paying Taxes on Fuel**