

TAXES ON FUEL SALES AT NEW JERSEY MARINAS

New Jersey levies two taxes on most sales of fuels used by motor vehicles – the Petroleum Products Gross Receipts Tax and the Motor Fuel Tax. When motor fuels are used in boats and other marine vessels, the following rules apply for the levying of these two taxes:

PETROLEUM PRODUCTS GROSS RECEIPTS TAX

Fuel used in the following types of boats is exempt from the Petroleum Products Gross Receipts Tax (PPGRT):

- o Marine vessels engaged in interstate or foreign commerce*
- o Motor boats or motor vessels used exclusively for or in the propagation, planting, preservation, and gathering of oysters and clams in the tidal waters of New Jersey;
- o Motor boats or motor vessels used exclusively for commercial fishing;
- o Motor boats or motor vessels, while being used for hire for fishing parties or being used for sightseeing or excursion parties; and
- o Motor boats or motor vessels used exclusively for Sea Scout training by a duly chartered unit of the Boy Scouts of America;

*When used in marine vessels engaged in interstate or foreign commerce, all petroleum products are exempt from the PPGRT.

Obtaining PPGRT Refunds on Exempt Purchases When a Marina Has No Direct Pay Permit

Marinas must have a Direct Pay Permit to buy fuel without paying the Petroleum Products Gross Receipts Tax (PPGRT). If a marina does not have a Direct Pay Permit, it pays PPGRT when it buys gasoline or diesel fuel (dyed or undyed) and generally passes the expense on to customers. A purchaser is entitled to a refund from the State for PPGRT paid to a marina on exempt fuel purchases. (See above for examples of exempt sales.) To obtain a refund, file Form PPT-20, *Petroleum Products Gross Receipts Refund Application*. (See [PPT Forms](#))

Marinas With Direct Pay Permits Must Still Collect Tax on Non-Exempt Sales

Marinas with Direct Pay Permits still must collect the Petroleum Products Gross Receipts Tax (PPGRT) on non-exempt sales of gasoline and diesel fuel (dyed and undyed). Any tax collected by a marina must be remitted to the Division of Taxation. If a purchaser believes it was charged PPGRT on an exempt fuel sale, that purchaser can file for a refund using Form PPT-20. (See [PPT Forms](#)) Proof of the exempt activity must be included with the form.

MOTOR FUEL TAX

Marinas pay the Motor Fuel Tax when they buy fuel and then generally pass the costs onto their customers. They are not required to deduct the tax even if a sale qualifies for a tax exemption.

Purchasers must file for refunds if they believe they made fuel purchases that were exempt from the Motor Fuel Tax using Form MFA-20, *Motor Fuels Refund Application*. (See [Motor Fuel Refund Instructions and Form MFA-20](#).)

Sales of dyed diesel fuel are exempt from the Motor Fuel Tax. Any purchaser that uses dyed diesel in a taxable manner is required to file Form RMF-10, *Combined Motor Fuel Tax Return*, and pay the tax due. (See [Fuel Forms](#))

Questions

If you need assistance or have questions regarding fuel taxes at New Jersey marinas, please email your questions to fuel.tax@treas.nj.gov