

State of Rhode Island - Division of Taxation

Motor Fuel Tax

Regulation MF 89-5

Marine Diesel

I. Diesel fuel used for the propulsion of marine craft is not considered a motor fuel under the Rhode Island gasoline tax law. Any Rhode Island licensed distributor or special distributor selling marine diesel must obtain a "[Marine Diesel Purchase Certificate](#)" from the purchaser in order to exempt a sale from the Rhode Island motor fuel tax.

II. Use of Exemption Certificate

In making marine diesel purchases a purchaser must furnish a Rhode Island licensed distributor or special distributor with a "Marine Diesel Purchase Certificate" (form attached) for each purchase in order to be exempt from the Rhode Island motor fuel taxes. This certificate must contain the required information and signature. In the event that all purchases will be for marine purposes on an on-going basis, one "Marine Diesel Purchase Certificate" may be issued marked "blanket" in the date of purchase area of the form.

The certification may be furnished only in the case where the purchaser intends to sell or use the marine diesel for marine purposes. If a purchaser gives an exemption certificate and thereafter sells or uses all or a portion of the marine diesel purchased for purposes other than "marine" he or she must report and pay on the taxable gallons as a distributor or special distributor.

The acceptance of a properly executed certificate relieves the distributor from the burden of proof only if accepted in good faith from a person engaged in an activity which is for sale or use of fuel for marine purposes. If a "[Marine Diesel Purchase Certificate](#)" is not furnished by the purchaser, the distributor must collect and report the applicable Rhode Island motor fuel taxes for that sale event though the invoice indicates "marine diesel."

In order that the Division of Taxation may verify a distributor's marine diesel sales upon audit, it is necessary that distributors retain executed "Marine Diesel Purchase Certificates."

If a distributor lists marine diesel sales for which he or she has no certificates, the Division of Taxation will presume such sales as taxable and make an assessment of the tax against the distributor.

R. GARY CLARK
TAX ADMINISTRATOR

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