IMPORTANT NOTICE

BIODIESEL MANUFACTURED IN RHODE ISLAND

Chapter 36 of Title 31 of the Rhode Island General Laws exempts from the motor fuel tax: “Manufactured Biodiesel fuel that results in employment in Rhode Island at a manufacturing facility for biodiesel fuel”.

The official definition of biodiesel consistent with other federal and state laws is: Biodiesel is defined as mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats which conform to ASTM D6751 specifications for use in diesel engines. Biodiesel refers to the pure fuel before blending with diesel fuel. Biodiesel blends are denoted as, “BXX” with “XX” representing the percentage of biodiesel contained in the blend (i.e.: B20 is 20% biodiesel, 80% petroleum diesel).

To qualify for the exemption the biodiesel must be produced at a manufacturing facility in Rhode Island and must be sold as pure biodiesel (B100). “Manufacturing facility” is defined as a factory at a fixed location primarily engaged in the manufacture of Biodiesel fuel. Also, there must be jobs created in Rhode Island at the facility.

Application for Biodiesel Permit Certificate: Manufacturers must apply for a permit to sell biodiesel exempt from the motor fuel tax.

Motor Fuel Biodiesel Permit: If the manufacturer qualifies, a certificate with a permit number will be issued.

Motor Fuel Biodiesel Permittee Report: A quarterly report is required to be filed.

Note: The exemption is for pure biodiesel (B100). Blended fuels are not exempt under 31-36-1(4).

Sellers of Fuel

If a Biodiesel Permittee sells B100 to a seller of fuels (such as a gas station) and delivers the fuel into a tank that contains diesel fuel, the sale is not exempt because the fuel sold to the ultimate consumer is not B100. The Permittee is responsible to pay the motor fuel tax.*

Sales Tax: There is no exemption in the sales & use tax law for biodiesel. A sale of biodiesel exempt from the motor fuel tax may be subject to sales or use tax. The applicable sections of the sales and use tax law (Title 44 – Chapter 18) apply.

*For questions, contact 401-222-2953