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#### Reg 1316 Power Take Off Equipment

The exemption from use fuel tax for allowable fuel used in operating power take-off equipment, such as a compaction unit on a garbage truck, does not apply to fuel used while the truck is idling, notwithstanding that the power take-off unit may be engaged when the truck comes to a stop at a loading point. Only that fuel which is actually used in the operation of the compaction unit may be excluded from the tax. 10/16/62; 6/05/63.

October 16, 1962

(Redacted)

UF Unlicensed

(Redacted)

(Redacted)

Dear (Redacted):

As this Board administers the Use Fuel Tax Law under which the use of liquefied petroleum gas in the operation of motor vehicles is taxed at the rate of 6 cents per gallon, your letter of September 26 directed to the State Controller has been referred to us for reply.

Under the provisions of the Use Fuel Tax Law, Section 8607 of the Revenue and Taxation Code, the tax applies to the fuel placed into the fuel tank of a motor vehicle unless the user establishes to the satisfaction of this Board that the fuel was consumed for a purpose other than the operation of the motor vehicle. Accordingly, exemption from the tax may be allowed for the operation of power take-off equipment such as a compaction unit on a garbage truck if you can establish with reasonable accuracy the gallonage of fuel used in that operation.

No exemption is allowed for the fuel used while a truck is idling, notwithstanding that the power take-off unit may be engaged when the garbage truck comes to a stop as a loading point. Only that fuel which is actually used in the operation of the compaction unit may be excluded from the tax. Please communicate with our district office at 277 North First Street, San Jose, to arrange for the necessary test checks of fuel used in the operation of the compaction unit for which exemption may be claimed.

If the liquefied petroleum gas fuel has been purchased delivered to you in bulk exempt from sales tax, you will be liable for the sales tax on the percentage price of the gallonage of fuel for which exemption is claimed under the Use Fuel Tax Law.

Very truly yours,

Highway Taxes Administrator

HDA:HS

cc: San Jose District Office

cc: Controllers Office

June 5, 1963

(Redacted)

(Redacted)

(Redacted)

Dear Mr. Murphy:

Exemption from the use fuel tax is permitted under Section 8607 of the Revenue and Taxation code with respect to fuel which is placed in the fuel tank of a motor vehicle but used for a purpose other than the propulsion of the vehicle if the user establishes to the satisfaction of the Board that the fuel was used for such other purpose.

Fuel used for the operation of equipment such as compaction units on garbage trucks by means of power take-off from the engine of the vehicle may be excluded from the measure of the tax if the user establishes by fuel consumption tests made under typical operating conditions the gallonage of fuel consumed in the operation of the equipment. Such tests should be made with the assistance of a representative of the Board who will instruct the user in the accepted methods of conducting the tests.

If the user has paid the tax on all fuel used in the vehicle, he may file a claim for refund on the fuel consumed in power take-off operations. the period for which refund is allowable is three years from the 25<sup>th</sup> day of the month following the month for which the overpayment was made.

Very truly yours,

Highway Taxes Administrator

HDA:HS