

**INFORMATION NOTICE  
SALES AND USE TAXES 2014-01**

**Issued: January 24, 2014**

**Pennsylvania Sales Tax Documentation Requirements for  
Sales of Fuel Oil, Kerosene, Natural Gas, and Propane**

The taxability of fuel oil, kerosene, natural gas and propane is addressed at 72 P.S. §§ 7201 (m), 7202 (a), and § 7204 (5) and 61 Pa. Code § 32.25. This information notice is intended to clarify a vendor's documentation requirements when making nontaxed sales of these products.

Sales and use tax does not apply to the sale of motor fuels that are subject to Pennsylvania liquid fuels, fuels or alternative fuels taxes. However when the same products are sold for off-road use they are no longer subject to these taxes and they become subject to sales tax unless a sales tax exemption applies.

The Tax Reform Code, at 72 P.S. § 7237(c), and Department Regulation, at 61 Pa. Code §32.2(a), establish that a vendor is required to collect tax on taxable tangible personal property, unless the purchaser provides a valid, properly executed exemption certificate. This requirement applies to all exempt nonresidential sales. Residential sales should also be supported by a valid, properly executed exemption certificate or equivalent documentation, to support exempt sales which may be examined on audit. The documentation should include a statement from the customer indicating that the purchase is solely for the purchaser's own residential use.

However, an exemption certificate or documentation is not required to exempt any of the following sales from sales tax:

- The product is delivered to a single residence and is billed to an individual at that residential location's mailing address.
- The sale at retail of less than 11 gallons of kerosene unless purchased through a commercial account or the vendor has reason to believe the purchase is not for residential use.
- The sale of propane gas in 20 pound tanks unless purchased through a commercial account or the vendor has reason to believe the purchase is not for residential use.

The Department retains the authority identified in 72 P.S. § 7271(a) to require that statements be obtained from customers when, during an audit, it is found that there are conditions present that indicate a possible taxable use.